



EAST KENTUCKY POWER COOPERATIVE

December 3, 2004

HAND DELIVERED

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

RECEIVED

Re: PSC Case No. 2004-00321
PSC Case No. 2004-00372

DEC 03 2004

PUBLIC SERVICE
COMMISSION

Dear Ms. O'Donnell:

Please find enclosed for filing with the Commission in the above-referenced cases an original and seven (7) copies of the Responses of East Kentucky Power Cooperative, Inc., and the Joint Applicants to the Supplemental Data Requests of the Commission Staff and Gallatin Steel Company dated November 19, 2004.

Very truly yours,

Charles A. Lile
Senior Corporate Counsel

Enclosures

Cc: Elizabeth E. Blackford, Esq.- Office of the Attorney General
Michael L. Kurtz, Esq.- Gallatin Steel Co.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

DEC 03 2004

PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER)
COOPERATIVE, INC. FOR APPROVAL OF AN)
ENVIRONMENTAL COMPLIANCE PLAN AND) CASE NO.
AUTHORITY TO IMPLEMENT AN) 2004-00321
ENVIRONMENTAL SURCHARGE)

RESPONSES TO GALLATIN STEEL'S FIRST DATA REQUEST
TO EAST KENTUCKY POWER COOPERATIVE, INC.
DATED NOVEMBER 19, 2004

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2004-00321

ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04

REQUEST 1

RESPONSIBLE PARTY: Ann F. Wood

REQUEST 1. Please provide a copy of the Company's two most recent RUS Form 7 filings.

RESPONSE 1. The September 2004 and October 2004 RUS Form 12 filings for EKPC are attached. Please note that the RUS Form 12 is used for Generation and Transmission cooperatives. Form 7 is used for Distribution cooperatives.

Public reporting burden for this collection of information is estimated to average 24.25 hours (REA Forms 12-i) per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, AG Box 7630, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0572-0017), Washington, DC 20503. OMB FORM NO. 0572-0017, Expires 12/31/94.

This data will be used by REA to review your operating results financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

USDA-REA OPERATING REPORT - FINANCIAL	BORROWER DESIGNATION Kentucky 59 & 63 GT Fayette BORROWER DESIGNATION East Kentucky Power Cooperative P. O. Box 707 Winchester, Kentucky 40392-0707
INSTRUCTIONS-Submit an original and two copies to REA. Round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-3.	PERIOD ENDED September 30, 2004
REA USE ONLY	

CERTIFICATION	
<i>We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.</i>	
ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XV11, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.	
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT 	DATE October 22, 2004 October 22, 2004
SIGNATURE OF MANAGER	DATE

SECTION A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	(d)
	(a)	(b)	(c)	(d)
1. Electric Energy Revenues	327,368,169	370,650,713	374,432,520	38,617,390
2. Income From Leased Property - Net	0	0	0	0
3. Other Operating Revenue and Income	7,180,305	8,173,523	7,585,068	921,829
4. Total Oper. Revenues & Patronage Capital (1 thru 3)	334,548,474	378,824,236	382,017,588	39,539,219
5. Operation Expense - Production - Excluding Fuel	20,144,914	23,802,936	27,364,264	1,962,567
6. Operation Expense - Production - Fuel	104,127,885	124,474,807	130,987,803	12,911,332
7. Operation Expense - Other Power Supply	75,993,004	104,030,455	73,418,413	11,405,052
8. Operation Expense - Transmission	12,262,287	14,442,832	11,328,552	1,236,867
9. Operation Expense - Distribution	517,589	584,220	1,200,985	65,613
10. Operation Expense - Consumer Accounts	342	(243)	0	0
11. Operation Expense - Consumer Service & Inform	1,522,063	2,170,399	3,254,614	158,290
12. Operation Expense - Sales	1,106,492	1,543,070	1,940,316	85,346
13. Operation Expense - Administrative & General	16,500,526	19,874,551	18,374,219	3,167,172
14. Total Operation Expense (5 thru 13)	232,175,102	290,923,027	267,869,166	30,992,239
15. Maintenance Expense - Production	21,485,384	28,257,312	21,693,504	8,011,116
16. Maintenance Expense - Transmission	2,385,935	2,577,686	3,335,952	371,623
17. Maintenance Expense - Distribution	720,501	971,817	768,282	94,597
18. Maintenance Expense - General Plant	24,147	474,941	503,157	50,929
19. Total Maintenance Expense (15 thru 18)	24,615,967	32,281,756	26,300,895	8,528,265
20. Depreciation & Amortization Expense	22,062,922	29,086,934	31,192,964	3,297,904
21. Taxes	9	3,737	0	(254)
22. Interest on Long-Term Debt	32,102,095	39,405,727	46,947,714	4,491,225
23. Interest Charged to Construction - Credit	0	0	0	0
24. Other Interest Expense	522,949	316,723	240,000	53,152
25. Other Deductions	697,584	861,565	399,530	106,687
26. Total Cost of Electric Service (14 + 19 thru 25)	312,176,628	392,879,469	372,950,269	47,469,218
27. Operating Margins (4 - 26)	22,371,846	(14,055,233)	9,067,319	(7,929,999)
28. Interest Income	2,284,845	1,814,245	1,722,227	197,883
29. Allowance for Funds Used During Construction	5,946,371	11,488,083	11,754,118	1,472,832
30. Income (Loss) from Equity Investments	0	0	0	0
31. Other Nonoperating Income - Net	16,318	93,989	(63,938)	(4,294)
32. Generation & Transmission Capital Credits	0	0	0	0
33. Other Capital Credits & Patronage Dividends	142,973	252,935	149,250	1,371
34. Extraordinary Items	0	0	0	0
35. Net Patronage Capital or Margins (27 thru 34)	30,762,353	(405,981)	22,628,976	(6,262,207)
ITEM	Mills/kWh (Optional Use by Borrower)			
36. Electric Energy Revenue Per kWh Sold	42.19	0.00		
37. Total Operation & Maintenance Expense Per kWh Sold	36.20	0.00		
38. Total Cost of Electric Service Per kWh Sold	44.00	0.00		
39. Purchased Power Cost Per kWh	41.97	0.00		

USDA - REA	BORROWER DESIGNATION	
OPERATING REPORT - FINANCIAL	Kentucky 59 & 63 GT Fayette	
	PERIOD ENDED	REA USE ONLY
	September 30, 2004	

SECTION B. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant In Service	1,535,563,023	32. Memberships	1,600
2. Construction Work in Progress	438,487,880	33. Patronage Capital	
3. Total Utility Plant (1 + 2)	1,974,050,903	a. Assigned and Assignable	165,660,307
4. Accum. Provision for Depreciation & Amort.	719,956,220	b. Retired This Year	0
5. Net Utility Plant (3 - 4)	1,254,094,683	c. Retired Prior Years	0
6. Non-Utility Property - Net	820	d. Net Patronage Capital	165,660,307
7. Investments in Subsidiary Companies	0	34. Operating Margins - Prior Years	0
8. Invest. in Assoc. Org. - Patronage Capital	817,086	35. Operating Margins - Current Year.	(13,802,298)
9. Invest. In Assoc. Org. - Other - General Funds	29,284,572	36. Non-Operating Margins	13,396,317
10. Invest. In Assoc. Org. - Other - Non-General Funds	0	37. Other Margins and Equities	3,657,219
11. Investments in Economic Development Projects	0	38. Total Margins & Equities (32, 33d thru 37)	168,913,145
12. Other Investments.	25,752,968	39. Long-Term Debt - REA (Net)	60,969,289
13. Special Funds	4,112,150	(Payments-Unapplied\$)	
14. Total Other Property & Investments (6 thru 13)	59,967,596	40. Long-Term Debt-Other-Econ. Devel. (net).	0
15. Cash - General Funds	65,891	41. Long-Term Debt-FFB-REA Guaranteed	767,057,146
16. Cash - Construction Funds - Trustee	500	42. Long-Term Debt-Other-REA Guaranteed	0
17. Special Deposits	425	43. Long-Term Debt-Other (Net)	286,705,968
18. Temporary Investments	50,827	44. Total Long-Term Debt (39 thru 43)	1,114,732,403
19. Notes Receivable (Net)	0	45. Obligations Under Capital Leases - Noncurrent	0
20. Accounts Receivable - Sales of Energy (Net)	40,893,864	46. Accumulated Operating Provisions	47,293,759
21. Accounts Receivable - Other (Net)	612,929	47. Total Other Noncurrent Liabilities (45 + 46)	47,293,759
22. Fuel Stock	35,262,437	48. Notes Payable	24,337,168
23. Materials and Supplies - Other	26,246,397	49. Accounts Payable	54,727,948
24. Prepayments	1,253,972	50. Taxes Accrued	1,057,072
25. Other Current and Accrued Assets	401,743	51. Interest Accrued	998,649
26. Total Current and Accrued Assets (15 thru 25)	104,788,985	52. Other Current & Accrued Liabilities	3,440,608
27. Unamortized Debt Disc. & Extraord. Prop. Losses	789,714	53. Total Current & Accrued Liabilities (48 thru 52)	84,561,445
28. Regulatory Assets.	0	54. Deferred Credits	4,104,287
29. Other Deferred Debits	(35,939)	55. Accumulated Deferred Income Taxes	0
30. Accumulated Deferred Income Taxes	0	56. Total Liabilities and Other Credits	
31. Total Assets & Other Debits (5+14+26 thru 30)	1,419,605,039	(38+44+47+53 thru 55)	1,419,605,039

SECTION C. NOTES TO FINANCIAL STATEMENTS

THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.
(IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

Interest, other applicable financing costs, and interest earnings on the canceled Smith Station Project were \$501,880.24 in September 2004, and \$4,649,763.10 year-to-date.

East Kentucky Power provides steam service to Inland Container, a recycle papermill adjacent to East Kentucky Power's Spurlock generating station near Maysville, Kentucky. The steam is sold wholesale to Fleming Mason RECC. For reporting purposes, steam is converted to equivalent demand and energy sold and generation produced, using British Thermal Units and a moving twelve-month weighted average heat rate.

September 2004 Demand\MMBTU	302.600	Energy\MMBTU	181,865.500
Year-to-date		Energy\MMBTU	1,680,623.100

*This computer-generated data form is identical in form and substance to REA Forms 12a-i, "Operating Report - Financial," approved by the Office of Management and Budget (OMB) under the OMB approval number 0572-0017.

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE
OPERATING REPORT
SALES OF ELECTRICITY

BORROWER DESIGNATION
Kentucky 59 & 3 GT Fayette
East Kentucky Power Cooperative
P. O. Box 707
Winchester, Kentucky 40392-0707

PERIOD ENDED: September 2004
This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. Seq.) and may be confidential.

REVENUE

Name of Company or Public Authority (Footnote Affiliations)	Statistical Classification	FERC Rate Schedule or Tariff Number	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)		Average Monthly CP Demand (l)	Mega-watthours Sold (g)	Demand Charges (\$)	Energy Charges (f)	Other Charges (j)	Total (\$) (h + i + j) (k)
				Average Monthly NCP Demand (e)	Average Monthly Demand (l)						
1. Big Sandy RECC	RQ	P.S.C. #24/25	49,529		49,529	202,058	2,326,861	5,340,114	1,169,226	8,836,201	
2. Blue Grass	RQ	P.S.C. #24/25	214,188		214,188	885,512	10,016,508	22,824,745	5,079,286	37,920,539	
3. Clark REC	RQ	P.S.C. #24/25	79,394		79,394	321,759	3,729,931	8,516,037	1,969,936	14,215,904	
4. Cumberland Valley RECC	RQ	P.S.C. #24/25	87,006		87,006	362,186	4,088,665	9,576,221	2,128,623	15,793,509	
5. Farmers RECC	RQ	P.S.C. #24/25	90,474		90,474	388,583	4,264,183	10,100,008	2,184,212	16,548,403	
6. Fleming Mason RECC	RQ	P.S.C. #24/25	153,597		153,597	712,127	6,516,606	18,552,084	3,313,149	28,381,839	
7. Grayson RECC	RQ	P.S.C. #24/25	48,292		48,292	195,494	2,275,196	5,126,770	1,247,920	8,649,886	
8. Inter-County RECC	RQ	P.S.C. #24/25	84,643		84,643	324,692	3,910,982	8,502,911	1,890,733	14,304,626	
9. Jackson County RECC	RQ	P.S.C. #24/25	175,796		175,796	707,740	8,282,074	18,461,983	4,121,065	30,865,122	
10. Licking Valley RECC	RQ	P.S.C. #24/25	48,859		48,859	199,568	2,295,399	5,279,879	1,203,927	8,779,205	
11. Nolin RECC	RQ	P.S.C. #24/25	126,601		126,601	544,495	5,602,548	13,959,746	3,105,137	22,667,431	
12. Owen EC	RQ	P.S.C. #24/25	316,963		316,963	1,558,192	17,662,994	41,511,206	4,295,461	63,469,661	
13. Salt River RECC	RQ	P.S.C. #24/25	169,820		169,820	684,005	7,995,012	17,945,158	3,905,138	29,845,308	
14. Shelby RECC	RQ	P.S.C. #24/25	75,006		75,006	335,473	3,572,719	8,408,985	1,926,691	13,908,395	
15. South Kentucky RECC	RQ	P.S.C. #24/25	213,133		213,133	854,103	9,997,994	22,225,281	4,930,160	37,153,435	
16. Taylor County RECC	RQ	P.S.C. #24/25	97,220		97,220	407,097	4,133,590	11,706,396	1,935,510	17,775,496	
17.			35,616		35,616	195,472	1,102,084	4,003,552	890,779	5,996,415	
18. Fleming Mason RECC**											
19.								49,801		49,801	
20. Green Power ***											
21.											
22.											
23.											
24.											
25.											
26.											
27. SUBTOTAL			2,066,137		2,066,137	8,878,556	97,773,346	232,090,877	45,296,953	375,161,176	

INSTRUCTIONS - Submit an original and two copies to RUS or file electronically.
For detailed instructions, see RUS Bulletin 1717B-3.

RUS FORM 12b SE (Rev. 12-02)

** Includes equivalent kWh for steam sold to Fleming Mason RECC for Inland Container

*** Includes Green Power from various Co-Ops

(d) represents monthly average of actual KW demand (YTD @ current month)

Page 1 of 2

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

OPERATING REPORT
SALES OF ELECTRICITY

BORROWER DESIGNATION
Kentucky 59 & 3 GT Fayette
East Kentucky Power Cooperative
P. O. Box 707
Winchester, Kentucky 40392-0707

PERIOD ENDED: September 2004

This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. Seq.) and may be confidential.

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For detailed instructions, see RUS Bulletin 1717B-3.

Name of Company or Public Authority (Footnote Affiliations)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)		Meganwathours Sold (g)	REVENUE				
				Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)		Demand Charges (\$)	Energy Charges	Other Charges	Total (\$ (h + i + j))	
1. Ameren Energy Inc	OS					50		1,950			1,950
2. American Electric Power	OS					4,553		107,543			107,543
3. Alabama Electric Cooperative	OS					1,279		41,154			41,154
4. Associated Electric Company	OS					100		7,000			7,000
5. Big Rivers Electric Corporation	OS					4,953		150,439			150,439
6. Cargill Power Markets	OS					9,954		257,120			257,120
7. Cinergy Services	OS					52		1,404			1,404
8. Coral Power	OS					100		2,950			2,950
9. Dayton Power & Light	OS					749		24,105			24,105
10. DTE Energy Trading	OS					702		20,106			20,106
11. Duke Energy Trading & Marketing	OS					180		10,620			10,620
12. Duke Power	OS					50		1,875			1,875
13. Dynegy Power Marketing	OS					50		1,800			1,800
14. Eneryg-Koch	OS					559		19,565			19,565
15. Exelon	OS					4,079		140,729			140,729
16. Hoosier Energy REC	OS					100		7,350			7,350
17. Indianapolis Power & Light	OS										
18. LG&E Energy Marketing	OS					1,318		54,345			54,345
19. Louisville Gas & Electric	OS										
20. Mirant Americas Energy Group	OS					50		250			250
21. Northern Indiana Public	OS					200		6,000			6,000
22. Ogeithorpe Power Corporation	OS										
23. Old Dominion Electric Cooperative	OS										
24. Southern Company Services	OS					1,463		43,515			43,515
25. Southern Illinois Power Co.	OS					525		10,250			10,250
26. Southern Indiana Gas	OS					150		5,150			5,150
27. Tenaska Power	OS					7,232		214,545			214,545
28. Tennessee Valley Authority	OS										
29. The Energy Authority	OS										
30. Virginia Power	OS					11,287		356,187			356,187
31. Wabash Valley Power	OS										
32											
33 SUBTOTAL THIS PAGE						49,735		1,485,952			1,485,952
34 SUBTOTALS FROM PAGE 1 LINE 27						8,878,556	97,773,346	232,090,877	45,296,953		375,161,176
35 GRAND TOTAL PAGES 1 & 2						8,928,291	97,773,346	233,576,829	45,296,953		376,647,128

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

OPERATING REPORT
PURCHASED POWER

BORROWER DESIGNATION
Kentucky 59 & 3 GT Fayette
East Kentucky Power Cooperative
P. O. Box 707
Winchester, Kentucky 40392-0707

PERIOD ENDED: September 2004

This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. Seq.) and may be confidential.

INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. For detailed instructions, see RUS Bulletin 1717B-3.

Name of Company or Public Authority (Footnote Affiliations)	Statistical Classification	FERC Rate Schedule or Tariff Number	Average Monthly Billing Demand (MW)	Actual Demand (MW)		Megawatt-hour Sold	REVENUE			Total (\$) (h + i + j)
				Average Monthly NCP Demand	Average Monthly CP Demand		Demand Charges (\$)	Energy Charges	Other Charges	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1. Allegheny Energy	OS					60	0	4,560		4,560
2. Ameren Energy Generating	OS					14,552	0	491,493		491,493
3. American Electric Power	OS					169,443	3,465,000	6,971,380		10,436,380
4. Associated Electric Cooperative	OS					178,612	0	8,953,967		8,953,967
5. Big Rivers Electric Corporation	OS					57,525	0	2,526,620		2,526,620
6. Cargill Power Markets	OS					284,459	0	13,997,537		13,997,537
7. Cinergy Services	OS					476,517	115,200	19,289,338		19,404,538
8. Cox Waste-to-Energy	OS					985	2,788	24,192		26,980
9. Dayton Power & Light	OS					3,441	0	133,361		133,361
10. DTE Energy Trading	OS					1,500	206,400	47,200		253,600
11. Duke Energy Trading & Marketing	OS					19,535	0	1,179,302		1,179,302
12. Duke Power	OS					39,793	0	1,955,752		1,955,752
13. Dynegy Power Marketing	OS					3,540	0	212,633		212,633
14. Entergy-Koch Trading	OS					3,465	0	182,246		182,246
15. Exelon Power Team	OS					23,730	0	1,047,699		1,047,699
16. Hoosier Energy	OS					51,079	0	1,741,362		1,741,362
17. Indianapolis Power & Light	OS					56,406	0	1,764,360	209,739	1,974,099
18. Louisville Gas & Electric	OS					418,716	3,244,817	9,446,150	349,545	13,040,512
19. LG&E Energy Marketing	OS					132	0	6,412		6,412
20. Northern Indiana Public Service	OS					2,089	0	86,989		86,989
21. Old Dominion Electric	OS					790	0	16,355		16,355
22. Ogethorpe Power	OS					0	0	0		0
23. Progress Energy Carolinas, Inc.	OS					5,142	0	268,720		268,720
24. Southeastern Power Administration	OS					230,607	3,414,960	2,105,443		5,520,403
25. Southern Company Services	OS					35,884	0	1,677,596		1,677,596
26. Southern Illinois Power Cooperative	OS					13,265	0	474,944		474,944
27. Southern Indiana Gas & Electric	OS					9,660	0	350,391		350,391
28. Tenaska Power Services	OS					2,182	0	133,134		133,134
29. Tennessee Valley Authority	OS					142,823	0	7,826,954		7,826,954
30. The Energy Authority	OS					-	0	0		0
29 Wabash Valley Power	OS					138,784	0	6,166,905		6,166,905
31. Williams Energy Marketing & Trading	OS					-	-	0		0
TOTALS						2,394,716	10,449,165	89,082,995	559,284	100,091,444

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE OPERATING REPORT SOURCES AND DISTRIBUTION OF ENERGY		BORROWER DESIGNATION Kentucky 59 & 3 GT Fayette East Kentucky Power Cooperative P. O. Box 707 Winchester, Kentucky 40392-0707 PERIOD ENDED: September 2004			
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. For detailed instructions, see RUS Bulletin 1717B-3.		NO. OF PLANTS	NAMEPLATE CAPACITY	NET ENERGY RECEIVED BY SYSTEM (MWh)	COST
SOURCES OF ENERGY (a)		(b)	(c)	(d)	(e)
GENERATED IN OWN PLANT (Details on Forms 12d, e, f and g)					
1. Fossil Steam		3	1,454,564	6,671,469	196,601,418
2. Nuclear					
3. Hydro					
4. Combined Cycle					
5. Internal Combustion		3	484,600	113,004	23,871,787
6. Other		3	8,800	42,155	1,146,588
7. TOTAL in Own Plan (Sum of Lines 1 thru 6)		9	1,947,964	6,826,628	221,619,793
PURCHASED POWER					
8. Total Purchased Power				2,384,716	100,091,444
9. Received Into System (Gross)				41,808	543,521
10. Delivered Out of System (Gross)				(33,791)	(439,285)
11. Net Interchange (Line 9 - Line 10)				8,017	104,236
TRANSMISSION FOR OR BY OTHERS - (WHEELING)					
12. Received Into System				2,410,380	0
13. Delivered Out of System				2,410,380	0
14. Net Energy Wheeled (Line 12 minus Line 13)				0	0
15. TOTAL Energy Available for Sale (Sum of lines 7 + 8 + 11 + 14)				9,219,361	
DISTRIBUTION OF ENERGY					
16. TOTAL Sales				8,928,291	
17. Energy Furnished by Others Without Charge				0	
18. Energy Used by Borrower (Excluding Station Use)				6,652	
19. TOTAL Energy Accounted For (Sum of Lines 16 thru 18)				8,934,943	
LOSSES					
20. Energy Losses - MWh (Line 15 minus 19)				284,418	
21. Energy Losses - Percentage (Line 20 divided by 15) * 100)				3.09%	

Public reporting burden for this collection of information is estimated to average 24.25 hours (REA Forms 12-i) per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, Room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0572-0017), Washington, DC 20503. OMB FORM NO. 0572-0017, Expires 12/31/94. This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

USDA - REA OPERATING REPORT - STEAM PLANT	This data will be used to determine your operating results and financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.				
INSTRUCTIONS - Submit an original and two copies to REA. For details, see REA Bulletin 1717B-3.	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;"> BORROWER DESIGNATION Kentucky 59 GT Fayette PLANT Dale Power Station </td> <td style="width:30%; text-align: center; vertical-align: middle;"> REA USE ONLY </td> </tr> <tr> <td colspan="2"> YEAR ENDING September 30, 2004 </td> </tr> </table>	BORROWER DESIGNATION Kentucky 59 GT Fayette PLANT Dale Power Station	REA USE ONLY	YEAR ENDING September 30, 2004	
BORROWER DESIGNATION Kentucky 59 GT Fayette PLANT Dale Power Station	REA USE ONLY				
YEAR ENDING September 30, 2004					

SECTION A. BOILERS

LINE NO.	UNIT NO.	TIMES STARTED (b)	FUEL CONSUMPTION					OPERATING HOURS			
			COAL (1000 Lbs.) (c)	OIL (1000 Gals.) (d)	GAS (1000 C.F.) (e)	OTHER (f)	TOTAL (g)	IN SERVICE (h)	ON STANDBY (i)	OUT OF SERVICE	
			Scheduled (j)		Unscheduled (k)						
1.	1	8	100,941.6	16.168				5919	0	604	53
2.	2	7	105,906.2	18.089				6185	0	318	73
3.	3	6	313,020.7	30.375				6060	0	348	168
4.	4	2	335,742.5	26.171				6301	0	273	2
5.											
6.	Total	23	855,611.0	90.803	0			24465	0	1543	296
7.	Average BTU		12,498 /Lb.	138,600 /Gal.	/C.F.	/					
8.	Total BTU (10)		10,693,426	12,585			10,706,011				
9.	Total Del. Cost (\$)		40.81	1.0603							

SECTION B. TURBINE GENERATING UNITS

SECTION C. LABOR REPORT

SECTION D. FACTORS & MAX. DEMAND

LINE NO.	UNIT NO.	SIZE (kW) (b)	GROSS GEN (MWh) (c)	BTU Per kWh (d)	LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE
1.	1	24,000	111,857			No. Emp. Full Time (inc. Superintendent)	66	1.	Load Factor (%)	72.12
2.	2	24,000	118,070		1.			2.	Plant Factor (%)	71.89
3.	3	79,836	364,635		2.	No. Emp. Part Time	0			
4.	4	79,836	387,143		3.	Total Emp.-Hrs. Worked	110,174	3.	Running Plant Capacity Factor (%)	76.85
5.					4.	Oper. Plant Payroll (\$)	2,569,522			
6.	Total	207,672	981,705	10,906	5.	Maint. Plant Payroll (\$)	800,935	4.	15 Minute Gross Maximum Demand (kW)	
7.	Station Service (MWh)		71,554		6.	Other Accts. Plant Payroll (\$)	13,587			
8.	Net Generation (MWh)		910,151	11,763	7.	TOTAL Plant Payroll (\$)	3,384,044	5.	Indicated Gross Maximum Demand (kW)	207,000
9.	Station Service (%)		7.29							

SECTION E. COST OF NET ENERGY GENERATED

LINE NO.	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT (\$) (a)	MILLS/NET kWh (b)	\$/MMBTU (c)
1.	Operation, Supervision and Engineering	500	1,383,287		
2.	Fuel, Coal	501.1	17,704,291		1.66
3.	Fuel, Oil	501.2	96,278		7.65
4.	Fuel, Gas	501.3	0		0.00
5.	Fuel, Other	501.4	0		0.00
6.	FUEL SUB-TOTAL (2 thru 5)	501	17,800,569	19.56	1.66
7.	Steam Expenses	502	1,232,052		
8.	Electric Expenses	505	766,199		
9.	Miscellaneous Steam Power Expenses	506	607,438		
10.	Allowances	509	597,500		
11.	Rents	507	0		
12.	NON-FUEL SUB-TOTAL (1 + 7 thru 10)		4,586,476	5.04	
13.	OPERATION EXPENSES (6 + 11)		22,387,045	24.60	
14.	Maintenance, Supervision and Engineering	510	51,721		
15.	Maintenance of Structures	511	184,880		
16.	Maintenance of Boiler Plant	512	3,109,481		
17.	Maintenance of Electric Plant	513	361,204		
18.	Maintenance of Miscellaneous Plant	514	21,014		
19.	MAINTENANCE EXPENSE (14 thru 18)		3,728,300	4.10	
20.	TOTAL PRODUCTION EXPENSE (13 + 19)		26,115,345	28.69	
21.	Depreciation	403.1	412,599		
22.	Interest	427	2,085,359		
23.	TOTAL FIXED COSTS (21 + 22)		2,497,958	2.74	
24.	POWER COST (20 + 23)		28,613,303	31.44	

Public reporting burden for this collection of information is estimated to average 24.25 hours (REA Forms 12-i) per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, Room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0572-0017), Washington, DC 20503. OMB FORM NO. 0572-0017, Expires 12/31/94. This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

USDA - REA OPERATING REPORT - STEAM PLANT	This data will be used to determine your operating results and financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.
	BORROWER DESIGNATION Kentucky 59 GT Fayette PLANT Cooper Power Station
INSTRUCTIONS - Submit an original and two copies to REA. For details, see REA Bulletin 1717B-3.	REA USE ONLY YEAR ENDING September 30, 2004

SECTION A. BOILERS													
LINE NO.	UNIT NO.	TIMES STARTED	FUEL CONSUMPTION					OPERATING HOURS					
			COAL (1000 Lbs.) (c)	OIL (1000 Gals.) (d)	GAS (1000 C.F.) (e)	OTHER (f)	TOTAL (g)	IN SERVICE (h)	ON STANDBY (i)	OUT OF SERVICE			
			Scheduled (j)		Unscheduled (k)								
1.	1	8	476,713.2	28.260				6211	0	288	77		
2.	2	5	945,825.4	48.969				6121	0	329	126		
3.													
4.													
5.													
6.	Total	13	1,422,538.6	77.229				12,332	0	617	203		
7.	Average BTU		12,058 /Lb.	138,600 /Gal.	/C.F.								
8.	Total BTU (10)		17,152,970	10,704			17,163,674						
9.	Total Del. Cost (\$)		36.09	1.0011									

SECTION B. TURBINE GENERATING UNITS					SECTION C. LABOR REPORT			SECTION D. FACTORS & MAX. DEMAND		
LINE NO.	UNIT NO.	SIZE (kW)	GROSS GEN. (MWh)	BTU Per kWh	LINE NO.	ITEM	LINE NO.	ITEM	VALUE	
1.	1	100,000	612,153		1.	No. Emp. Full Time (inc. Superintendent)	1.	Load Factor (%)	74.71	
2.	2	220,850	1,195,801		2.	No. Emp. Part Time	2.	Plant Factor (%)	85.69	
3.					3.	Total Emp.-Hrs. Worked	3.	Running Plant Capacity Factor (%)	91.64	
4.					4.	Oper. Plant Payroll (\$)	4.	15 Minute Gross Demand (kW)		
5.					5.	Maint. Plant Payroll (\$)	5.	Indicated Gross Maximum Demand (kW)		
6.	Total	320,850	1,807,954	9,493	6.	Other Accts. Plant Payroll (\$)	6.			
7.	Station Service (MWh)		111,861		7.	TOTAL Plant Payroll (\$)	7.			
8.	Net Generation (MWh)		1,696,093	10,120						
9.	Station Service (%)		6.19						368,000	

SECTION E. COST OF NET ENERGY GENERATED					
LINE NO.	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT (\$)	MILLS/NET kWh	\$/MMBTU
			(a)	(b)	(c)
1.	Operation, Supervision and Engineering	500	1,136,592		
2.	Fuel, Coal	501.1	26,327,984		1.53
3.	Fuel, Oil	501.2	77,311		7.22
4.	Fuel, Gas	501.3	0		0.00
5.	Fuel, Other	501.4	0		0.00
6.	FUEL SUB-TOTAL (2 thru 5)	501	26,405,295	15.57	1.54
7.	Steam Expenses	502	1,058,138		
8.	Electric Expenses	505	808,021		
9.	Miscellaneous Steam Power Expenses	506	1,146,851		
10.	Allowances	509	2,424,502		
11.	Rents	507	0		
12.	NON-FUEL SUB-TOTAL (1 + 7 thru 10)		6,574,104	3.88	
13.	OPERATION EXPENSES (6 + 11)		32,979,399	19.44	
14.	Maintenance, Supervision and Engineering	510	304,765		
15.	Maintenance of Structures	511	339,520		
16.	Maintenance of Boiler Plant	512	2,312,663		
17.	Maintenance of Electric Plant	513	523,823		
18.	Maintenance of Miscellaneous Plant	514	64,683		
19.	MAINTENANCE EXPENSE (14 thru 18)		3,545,454	2.09	
20.	TOTAL PRODUCTION EXPENSE (13 + 19)		36,524,853	21.53	
21.	Depreciation	403.1	346,843		
22.	Interest	427	2,085,359		
23.	TOTAL FIXED COSTS (21 + 22)		2,432,202	1.43	
24.	POWER COST (20 + 23)		38,957,055	22.97	

Public reporting burden for this collection of information is estimated to average 24.25 hours (REA Forms 12-i) per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, Room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0572-0017), Washington, DC 20503. OMB FORM NO. 0572-0017, Expires 12/31/94. This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

USDA - REA OPERATING REPORT - STEAM PLANT	This data will be used to determine your operating results and financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.						
	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%; border: 1px solid black; padding: 2px;"> BORROWER DESIGNATION Kentucky 59 GT Fayette </td> <td style="width:40%; border: 1px solid black; text-align: center; padding: 2px;"> REA USE ONLY </td> </tr> <tr> <td style="border: 1px solid black; padding: 2px;"> PLANT Spurlock Power Station </td> <td></td> </tr> <tr> <td style="border: 1px solid black; padding: 2px;"> YEAR ENDING September 30, 2004 </td> <td></td> </tr> </table>	BORROWER DESIGNATION Kentucky 59 GT Fayette	REA USE ONLY	PLANT Spurlock Power Station		YEAR ENDING September 30, 2004	
BORROWER DESIGNATION Kentucky 59 GT Fayette	REA USE ONLY						
PLANT Spurlock Power Station							
YEAR ENDING September 30, 2004							
INSTRUCTIONS - Submit an original and two copies to REA. For details, see REA Bulletin 1717B-3.							

**** SECTION A. BOILERS**

LINE NO.	UNIT NO.	TIMES STARTED	FUEL CONSUMPTION					OPERATING HOURS			
			(c)	OIL	GAS	OTHER	TOTAL	IN SERVICE	ON STANDBY	OUT OF SERVICE	
				(1000 Gals.)	(1000 C.F.)	(f)	(g)			Scheduled	Unscheduled
(a)	(b)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)		
1.	1	6	848,032.0	156.012				3771	0	500	2305
2.	2	3	2,444,194.0	66.060				6467	0	0	109
3.											
4.											
5.											
6.	Total	9	3,292,226.0	222.072				10,238	0	500	2414
7.	Average BTU		12,176 /Lb.	138,600 /Gal.	/C.F.	/					
8.	Total BTU (10)		40,086,144	30,779			40,116,923				
9.	Total Del. Cost (\$)		40.48	0.9777							

****SECTION B. TURBINE GENERATING UNITS**

SECTION C. LABOR REPORT

****SECTION D. FACTORS & MAX. DEMAND**

LINE NO.	UNIT NO.	SIZE (kW)	GROSS GEN. (MWh)	BTU Per kWh	LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1.	1	340,277	1,102,739			No. Emp. Full Time		1.	Load Factor (%)	74.39
2.	2	585,765	3,202,003		1.	(inc. Superintendent)	138	2.	Plant Factor (%)	70.69
3.					2.	No. Emp. Part Time	6			
4.					3.	Total Emp.-Hrs. Worked	297,585	3.	Running Plant	
5.					4.	Oper. Plant Payroll (\$)	4,248,137		Capacity Factor (%)	84.88
6.	Total	926,042	4,304,742	9,319	5.	Maint. Plant Payroll (\$)	3,805,015	4.	15 Minute Gross	
7.	Station Service (MWh)		239,517		6.	Other Accts. Plant Payroll (\$)	772,414		Maximum Demand (kW)	
8.	Net Generation(MWh)		4,065,225	9,868	7.	TOTAL		5.	Indicated Gross	
9.	Station Service (%)		5.56			Plant Payroll (\$)	8,825,566		Maximum Demand (kW)	880,000

SECTION E. COST OF NET ENERGY GENERATED

LINE NO.	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT (\$)	MILLS/NET kWh	S/MMBTU
			(a)	(b)	(c)
1.	Operation, Supervision and Engineering	500	1,519,457		
2.	Fuel, Coal	501.1	69,276,604		1.73
3.	Fuel, Oil	501.2	212,203		6.89
4.	Fuel, Gas	501.3	0		0.00
5.	Fuel, Other	501.4	0		0.00
6.	FUEL SUB-TOTAL (2 thru 5)	501	69,488,807	17.09	1.73
7.	Steam Expenses	502	3,172,780		
8.	Electric Expenses	505	1,288,714		
9.	Miscellaneous Steam Power Expenses	506	2,429,218		
10.	Allowances	509	2,204,724		
11.	Rents	507	0		
12.	NON-FUEL SUB-TOTAL (1 + 7 thru 10)		10,614,893	2.61	
13.	OPERATION EXPENSES (6 + 11)		80,103,700	19.70	
14.	Maintenance, Supervision and Engineering	510	853,376		
15.	Maintenance of Structures	511	868,235		
16.	Maintenance of Boiler Plant	512	11,731,696		
17.	Maintenance of Electric Plant	513	6,772,247		
18.	Maintenance of Miscellaneous Plant	514	1,513		
19.	MAINTENANCE EXPENSE (14 thru 18)		20,227,067	4.98	
20.	TOTAL PRODUCTION EXPENSE (13 + 19)		100,330,767	24.68	
21.	Depreciation	403.1	12,214,630		
22.	Interest	427	16,485,663		
23.	TOTAL FIXED COSTS (21 + 22)		28,700,293	7.06	
24.	POWER COST (20 + 23)		129,031,060	31.74	

REA FORM 12d(Rev.12-93)*This is a computer-generated form **Section A,B and D include amounts and equivalent amounts relative to Inland Container Steam

Public reporting burden for this collection of information is estimated to average 24.25 hours (REA Forms 12-1) per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, Room 404-W, Washington, DC 20259; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0572-0017), Washington, DC 20503. OMB FORM NO. 0572-0017, Expires 12/31/94.

USDA - REA OPERATING REPORT - INTERNAL COMBUSTION PLANT	This data will be used to determine your operating results and financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential. BORROWER DESIGNATION Kentucky 59 GT Fayette PLANT Smith Generating Facility YEAR ENDING September 30, 2004	REA USE ONLY
INSTRUCTIONS - Submit an original and two copies to REA. For details, see REA Bulletin 1717B-3.		

SECTION A. INTERNAL COMBUSTION GENERATING UNITS

LINE NO.	UNIT NO.	SIZE (kW)	FUEL CONSUMPTION				OPERATING HOURS				GROSS GENERATION (MWh)	BTU PER kWh
			OIL (1000 Gals.)	GAS (1000 C.F.)	OTHER	TOTAL	IN SERVICE	ON STANDBY	OUT OF SERVICE			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	Scheduled (i)	Unscheduled (j)	(k)	(l)
1.	1	110,500	152.257	334.264			412	5,364	798	2	24,041	
2.	2	110,500	100.631	462.149			547	5,091	938	0	30,947	
3.	3	110,500	107.764	363.143			418	6,000	132	26	26,278	
4.	4	74,000	163.612	185.623			246	6,330	0	0	17,212	
5.	5	74,000	20.469	172.853			199	6,377	0	0	14,980	
6.	TOTAL	479,500	544.733	1,518.032			1,822	29,162	1,868	28	113,458	14,045
7.	Average BTU		138,600 /Gal.	1,000 /C.F.	/		STATION SERVICE (MWh)				454	
8.	Total BTU (10)		75,500	1,518,032		1,593,532	NET GENERATION (MWh)				113,004	14,102
9.	Total Del. Cost (\$)		0.7683	6.3765			STATION SERVICE % OF GROSS				0.4	

SECTION B. LABOR REPORT

LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE
1.	No. Emp. Full Time (inc. Superintendent)	8	5.	Maint. Plant Payroll (\$)	34,607	1.	Load Factor (%)	3.46
	No. Emp. Part Time	0	6.	Other Accounts Plant Payroll (\$)	11,964	2.	Plant Factor (%)	3.60
3.	Total Emp-Hrs Worked	18,923	7.	TOTAL Plant Payroll (\$)	544,459	3.	Running Plant Capacity Factor (%)	61.30
4.	Oper. Plant Payroll (\$)	497,888				4.	15 Minute Gross Maximum Demand (kW)	
						5.	Indicated Gross Maximum Demand (kW)	499,000

SECTION D. COST OF NET ENERGY GENERATED

LINE NO.	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT (\$)	MILLS/NET kWh	S/MMBTU
			(a)	(b)	(c)
1.	Operation, Supervision and Engineering	546	159,570		
2.	Fuel, Oil	547.1	418,518		5.54
3.	Fuel, Gas	547.2	10,229,063		6.74
4.	Fuel, Other	547.3	0		
5.	Energy For Compressed Air	547.4	0		
6.	FUEL SUB-TOTAL (2 thru 5)	547	10,647,581	94.22	6.68
7.	Generation Expenses	548	850,060		
8.	Miscellaneous Other Power Generation Expenses	549/509	583,766		
9.	Rents	550	734		
10.	NON-FUEL SUB-TOTAL (1 + 7 thru 9)		1,594,130	14.11	
11.	OPERATION EXPENSE (6 + 10)		12,241,711	108.33	
12.	Maintenance, Supervision and Engineering	551	49,734		
13.	Maintenance of Structures	552	7,096		
14.	Maintenance of Generating and Electric Plant	553	670,660		
15.	Maintenance of Miscellaneous Other Power Generating Plant	554	5,484		
16.	MAINTENANCE EXPENSE (12 thru 15)		732,974	6.49	
17.	TOTAL PRODUCTION EXPENSE (11 + 16)		12,974,685	114.82	
18.	Depreciation	403.4	6,013,065		
19.	Interest	427	4,827,579		
20.	TOTAL FIXED COST (18 + 19)		10,840,644	95.93	
21.	POWER COST (17 + 20)		23,815,329	210.75	

REMARKS (Including Unscheduled Outages)

Account 50950, Allowances for SO2 emissions, has been included in line 8

10840644

Public reporting burden for this collection of information is estimated to average 24.25 hours (REA Forms 12-1) per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRRM, Room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB BUS 12-0017), Washington, DC 20503. OMB FORM NO. 0512-0017, Expires 12/31/94.

USDA - REA			This data will be used to determine your operating results and financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.										
OPERATING REPORT - INTERNAL COMBUSTION PLANT			BORROWER DESIGNATION							REA USE ONLY			
			Kentucky 59 GT Fayette										
			PLANT										
			Cagle's Diesel Generating Unit										
INSTRUCTIONS - Submit an original and two copies to REA. For details, see REA Bulletin 1717B-3.			YEAR ENDING										
			September 30, 2004										
SECTION A. INTERNAL COMBUSTION GENERATING UNITS													
LINE NO.	UNIT NO.	SIZE (kW)	FUEL CONSUMPTION				OPERATING HOURS				GROSS GENERATION (MWh)	BTU PER kWh	
			OIL (1000 Gals.) (c)	GAS (1000 C.F.) (d)	OTHER (e)	TOTAL (f)	IN SERVICE (g)	ON STANDBY (h)	OUT OF SERVICE SCHEDULED (i)	UNCHEDULED (j)			
1.	1	1,750	0.000					7	6,569				
2.	2	1,750	0.000					6	6,570				
3.													
4.													
5.													
6.	TOTAL	3,500	0.000						13,139				
7.	Average BTU		138,600 /Gal.	1,000 /C.F.	/								
8.	Total BTU (10)		0			0						0	
9.	Total Del. Cost (\$)		0.0000										
SECTION B. LABOR REPORT						SECTION C. FACTORS & MAXIMUM DEMAND							
LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE					
1.	No. Emp. Full Time (inc. Superintendent)		5.	Maint. Plant Payroll (\$)	5,609	1.	Load Factor (%)						
2.	No. Emp. Part Time		6.	Other Accounts Plant Payroll (\$)	0	2.	Plant Factor (%)						
3.	Total Emp-Hrs Worked	222	7.	TOTAL Plant Payroll (\$)	5,609	3.	Running Plant Capacity Factor (%)						
4.	Oper. Plant Payroll (\$)					4.	15 Minute Gross Maximum Demand (kW)						
						5.	Indicated Gross Maximum Demand (kW)						
SECTION D. COST OF NET ENERGY GENERATED													
Line No	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT (\$)	MILLS/NET kWh	\$/MMBTU								
1.	Operation, Supervision and Engineering	546											
2.	Fuel, Oil	547.12	524										
3.	Fuel, Gas	547.2											
4.	Fuel, Other	547.3											
5.	Energy For Compressed Air	547.4											
6.	FUEL SUB-TOTAL (2 thru 5)	547	524										
7.	Generation Expenses	548											
8.	Miscellaneous Other Power Generation Expenses	549	2,405										
9.	Rents	550											
10.	NON-FUEL SUB-TOTAL (1 + 7 thru 9)		2,405										
11.	OPERATION EXPENSE (6 + 10)		2,929										
12.	Maintenance, Supervision and Engineering	551											
13.	Maintenance of Structures	552											
14.	Maintenance of Generating and Electric Plant	553	9,332										
15.	Maintenance of Miscellaneous Other Power Generating Plant	554											
16.	MAINTENANCE EXPENSE (12 thru 15)		9,332										
17.	TOTAL PRODUCTION EXPENSE (11 + 16)		12,261										
18.	Depreciation	403.49	23,173										
19.	Interest	427											
20.	TOTAL FIXED COST (18 + 19)		23,173										
21.	POWER COST (17 + 20)		35,434										
REMARKS (Including Unscheduled Outages)													

Public reporting burden for this collection of information is estimated to average 24 25 hours (REA Forms 12-1) per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIR01, Room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0572-0017), Washington, DC 20503. OMB FORM NO. 0572-0017, Expires 12/31/94.

USDA - REA OPERATING REPORT - INTERNAL COMBUSTION PLANT	This data will be used to determine your operating results and financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.
	BORROWER DESIGNATION Kentucky 59 GT Fayette PLANT Cooper's Diesel Generating Unit
INSTRUCTIONS - Submit an original and two copies to REA. For details, see REA Bulletin 1717B-3.	REA USE ONLY YEAR ENDING September 30, 2004

SECTION A. INTERNAL COMBUSTION GENERATING UNITS

LINE NO.	UNIT NO.	SIZE (kW)	FUEL CONSUMPTION				OPERATING HOURS			GROSS GENERATION (MWh)	BTU PER kWh
			OIL (1000 Gals.) (c)	GAS (1000 C.F.) (d)	OTHER (e)	TOTAL (f)	IN SERVICE (g)	ON STANDBY (h)	OUT OF SERVICE (i) Scheduled (j) Unsched (k)		
1.	3	1,600	0.000					6576			
2.											
3.											
4.											
5.											
6.	TOTAL	1,600	0.000								
7.	Average BTU		138,600 /Gal.	1,000 /C.F.							
8.	Total BTU (10)		0			0			0		
9.	Total Del. Cost (\$)		0.0000								

SECTION B. LABOR REPORT

SECTION C. FACTORS & MAXIMUM DEMAND

LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE
1.	No. Emp. Full Time (inc. Superintendent)		5.	Maint. Plant Payroll (\$)	2,639	1.	Load Factor (%)	
2.	No. Emp. Part Time		6.	Other Accounts Plant Payroll (\$)	0	2.	Plant Factor (%)	
3.	Total Emp-Hrs Worked	105	7.	TOTAL Plant Payroll (\$)	2,639	3.	Running Plant Capacity Factor (%)	
4.	Oper. Plant Payroll (\$)					4.	15 Minute Gross Maximum Demand (kW)	
						5.	Indicated Gross Maximum Demand (kW)	

SECTION D. COST OF NET ENERGY GENERATED

Line No	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT (\$)	MILLS/NET kWh	\$/MMBTU
			(a)	(b)	(c)
1.	Operation, Supervision and Engineering	546			
2.	Fuel, Oil	547.1	246		
3.	Fuel, Gas	547.2			
4.	Fuel, Other	547.3			
5.	Energy For Compressed Air	547.4			
6.	FUEL SUB-TOTAL (2 thru 5)	547	246		
7.	Generation Expenses	548			
8.	Miscellaneous Other Power Generation Expenses	549	1,132		
9.	Rents	550			
10.	NON-FUEL SUB-TOTAL (1 + 7 thru 9)		1,132		
11.	OPERATION EXPENSE (6 + 10)		1,378		
12.	Maintenance, Supervision and Engineering	551			
13.	Maintenance of Structures	552			
14.	Maintenance of Generating and Electric Plant	553	4,391		
15.	Maintenance of Miscellaneous Other Power Generating Plant	554			
16.	MAINTENANCE EXPENSE (12 thru 15)		4,391		
17.	TOTAL PRODUCTION EXPENSE (11 + 16)		5,769		
18.	Depreciation	403.49	15,255		
19.	Interest	427			
20.	TOTAL FIXED COST (18 + 19)		15,255		
21.	POWER COST (17 + 20)		21,024		

REMARKS (Including Unscheduled Outages)

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USDA - REA			This data will be used to determine your operating results and financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.									
OPERATING REPORT - INTERNAL COMBUSTION PLANT			BORROWER DESIGNATION Kentucky 59 GT Fayette							REA USE ONLY		
			PLANT Green Valley Landfill Generating Unit									
INSTRUCTIONS - Submit an original and two copies to REA. For details, see REA Bulletin 1717B-3.			YEAR ENDING September 30, 2004									
SECTION A. INTERNAL COMBUSTION GENERATING UNITS												
LINE NO.	UNIT NO.	SIZE (kW)	FUEL CONSUMPTION				OPERATING HOURS				GROSS GENERATION (MWh)	BTU PER kWh
			OIL (1000 Gals.) (c)	GAS (1000 C.F.) (d)	METHANE M CF (e)	TOTAL (f)	IN SERVICE (g)	ON STANDBY (h)	OUT OF SERVICE Scheduled (i)	Unsched (j)		
1.	1	2,400	0.000		300,480		5,131	0	45	1400	12,520	
2.			0.000									
3.												
4.												
5.												
6.	TOTAL	2,400	0.000	0				0			12,520	
7.	Average BTU		138,600 /Gal.	1,000 /C.F.	500/CF						699	
8.	Total BTU (10)		0	0	150,241	150,241					11,821	
9.	Total Del. Cost (\$)		0.0000								5.58	
SECTION B. LABOR REPORT				SECTION C. FACTORS & MAXIMUM DEMAND								
LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE				
1.	No. Emp. Full Time (inc. Superintendent)	1	5.	Maint. Plant Payroll (\$)	2,433	1.	Load Factor (%)	82.28				
			6.	Other Accounts Plant Payroll (\$)		2.	Plant Factor (%)	79.33				
2.	No. Emp. Part Time					3.	Running Plant Capacity Factor (%)	101.67				
3.	Total Emp-Hrs Worked	1,973	7.	TOTAL Plant Payroll (\$)	53,240	4.	15 Minute Gross Maximum Demand (kW)					
4.	Oper. Plant Payroll (\$)	50,807				5.	Indicated Gross Maximum Demand (kW)	2,333				
SECTION D. COST OF NET ENERGY GENERATED												
Line No	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT (\$)	MILLS/NET kWh	\$/MMBTU							
1.	Operation, Supervision and Engineering	546	12,564									
2.	Fuel, Oil	547.12	0									
3.	Fuel, Gas	547.2										
4.	Fuel, Other	547.3/.61	35,804									
5.	Energy For Compressed Air	547.4										
6.	FUEL SUB-TOTAL (2 thru 5)	547	35,804	3.03								
7.	Generation Expenses	548	57,683									
8.	Miscellaneous Other Power Generation Expenses	549	61,566									
9.	Rents	550										
10.	NON-FUEL SUB-TOTAL (1 + 7 thru 9)		131,813	11.15								
11.	OPERATION EXPENSE (6 + 10)		167,617	14.18								
12.	Maintenance, Supervision and Engineering	551										
13.	Maintenance of Structures	552										
14.	Maintenance of Generating and Electric Plant	553	3,276									
15.	Maintenance of Miscellaneous Other Power Generating Plant	554										
16.	MAINTENANCE EXPENSE (12 thru 15)		3,276	0.28								
17.	TOTAL PRODUCTION EXPENSE (11 + 16)		170,893	14.46								
18.	Depreciation	403.49	153,041									
19.	Interest	427	22,279									
20.	TOTAL FIXED COST (18 + 19)		175,320	14.83								
21.	POWER COST (17 + 20)		346,213	29.29								
REMARKS (Including Unscheduled Outages)												

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USDA - REA			This data will be used to determine your operating results and financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.									
OPERATING REPORT - INTERNAL COMBUSTION PLANT			BORROWER DESIGNATION Kentucky 59 GT Fayette							REA USE ONLY		
			PLANT Laurel Ridge Landfill Generating Unit									
INSTRUCTIONS - Submit an original and two copies to REA. For details, see REA Bulletin 1717B-3.			YEAR ENDING September 30, 2004									
SECTION A. INTERNAL COMBUSTION GENERATING UNITS												
LINE NO.	UNIT NO.	SIZE (kW)	FUEL CONSUMPTION				OPERATING HOURS				GROSS GENERATION (MWh) (k)	BTU PER kWh (l)
			OIL (1000 Gals) (c)	GAS (1000 C.F.) (d)	METHAN MCF (e)	TOTAL (f)	IN SERVICE (g)	ON STANDBY (h)	OUT OF SERVICE Scheduled (i)	Unsched (j)		
1.	1	3,200	0.000		299,418		4127	0	282	2167	12,476	
2.			0.000									
3.												
4.												
5.												
6.	TOTAL	3,200	0.000	0	299,418			0			12,476	
7.	Average BTU		138,600 /Gal.	1,000 /C.F.	500/CF						783.971	
8.	Total BTU (10)		0	0	149,709	149,709					11,692	
9.	Total Del. Cost (\$)		0.0000								6.28	
SECTION B. LABOR REPORT						SECTION C. FACTORS & MAXIMUM DEMAND						
LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE				
1.	No. Emp. Full Time (inc. Superintendent)	1	5.	Maint. Plant Payroll (\$)	0	1.	Load Factor (%)	74.14				
2.	No. Emp. Part Time		6.	Other Accounts Plant Payroll (\$)		2.	Plant Factor (%)	59.29				
3.	Total Emp-Hrs Worked	1,984	7.	TOTAL Plant Payroll (\$)	65,796	3.	Running Plant Capacity Factor (%)	94.47				
4.	Oper. Plant Payroll (\$)	65,796				4.	15 Minute Gross Maximum Demand (kW)					
						5.	Indicated Gross Maximum Demand (kW)	2,559				
SECTION D. COST OF NET ENERGY GENERATED												
Line No	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT (\$)	MILLS/NET kWh	\$/MMBTU							
1.	Operation, Supervision and Engineering	546	52,923									
2.	Fuel, Oil	547.12	0									
3.	Fuel, Gas	547.2										
4.	Fuel, Other	547.3/.61	37,425									
5.	Energy For Compressed Air	547.4										
6.	FUEL SUB-TOTAL (2 thru 5)	547	37,425	3.20								
7.	Generation Expenses	548	37,868									
8.	Miscellaneous Other Power Generation Expenses	549	69,863									
9.	Rents	550										
10.	NON-FUEL SUB-TOTAL (1 + 7 thru 9)		160,654	13.74								
11.	OPERATION EXPENSE (6 + 10)		198,079	16.94								
12.	Maintenance, Supervision and Engineering	551										
13.	Maintenance of Structures	552										
14.	Maintenance of Generating and Electric Plant	553	927									
15.	Maintenance of Miscellaneous Other Power Generating Plant	554										
16.	MAINTENANCE EXPENSE (12 thru 15)		927	0.08								
17.	TOTAL PRODUCTION EXPENSE (11 + 16)		199,006	17.02								
18.	Depreciation	403.49	166,544									
19.	Interest	427	27,578									
20.	TOTAL FIXED COST (18 + 19)		194,122	16.60								
21.	POWER COST (17 + 20)		393,128	33.62								
REMARKS (Including Unscheduled Outages)												

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USDA - REA	<i>This data will be used to determine your operating results and financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.</i>	
OPERATING REPORT - INTERNAL COMBUSTION PLANT	BORROWER DESIGNATION Kentucky 59 GT Fayette PLANT Bavarian Landfill Generating Unit	REA USE ONLY
INSTRUCTIONS - Submit an original and two copies to REA. For details, see REA Bulletin 1717B-3.	YEAR ENDING September 30, 2004	

SECTION A. INTERNAL COMBUSTION GENERATING UNITS

LINE NO.	UNIT NO. (a)	SIZE (kW) (b)	FUEL CONSUMPTION				OPERATING HOURS				GROSS GENERATION (MWh) (k)	BTU PER kWh (l)
			OIL (1000 Gals.) (c)	GAS (1000 C.F.) (d)	METHAN MCF (e)	TOTAL (f)	IN SERVICE (g)	ON STANDBY (h)	OUT OF SERVICE Scheduled (i)	Unsched (j)		
1.	1	3,200	0.000		413,612		5991	0	173	412	19,518	
2.			0.000									
3.												
4.												
5.												
6.	TOTAL	3,200	0.000	0				0			19,518	
7.	Average BTU		138,600 /Gal.	1,000 /C.F.	500 / CF						876	
8.	Total B1U (10)		0		206,805	206,805					18,642	
9.	Total Del. Cost (\$)		0.0000								4.49	

SECTION B. LABOR REPORT

SECTION C. FACTORS & MAXIMUM DEMAND

LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE
1.	No. Emp. Full Time (inc. Superintendent)	1	5.	Maint. Plant Payroll (\$)	4,429	1.	Load Factor (%)	94.13
2.	No. Emp. Part Time		6.	Other Accounts Plant Payroll (\$)		2.	Plant Factor (%)	92.75
3.	Total Emp-Hrs Worked	1,939	7.	TOTAL Plant Payroll (\$)	51,544	3.	Running Plant Capacity Factor (%)	101.81
4.	Oper. Plant Payroll (\$)	47,115				4.	15 Minute Gross Maximum Demand (kW)	
						5.	Indicated Gross Maximum Demand (kW)	3,153

SECTION D. COST OF NET ENERGY GENERATED

Line No	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT (\$) (a)	MILLS/NET kWh (b)	\$/MMBTU (c)
1.	Operation, Supervision and Engineering	546	37,902		
2.	Fuel, Oil	547.12	0		
3.	Fuel, Gas	547.2			
4.	Fuel, Other	547.3/61	58,555		
5.	Energy For Compressed Air	547.4			
6.	FUEL SUB-TOTAL (2 thru 5)	547	58,555	3.14	
7.	Generation Expenses	548	34,549		
8.	Miscellaneous Other Power Generation Expenses	549	64,879		
9.	Rents	550			
10.	NON-FUEL SUB-TOTAL (1 + 7 thru 9)		137,330	7.37	
11.	OPERATION EXPENSE (6 + 10)		195,885	10.51	
12.	Maintenance, Supervision and Engineering	551			
13.	Maintenance of Structures	552			
14.	Maintenance of Generating and Electric Plant	553	5,591		
15.	Maintenance of Miscellaneous Other Power Generating Plant	554			
16.	MAINTENANCE EXPENSE (12 thru 15)		5,591	0.30	
17.	TOTAL PRODUCTION EXPENSE (11 + 16)		201,476	10.81	
18.	Depreciation	403.49	177,479		
19.	Interest	427	28,292		
20.	TOTAL FIXED COST (18 + 19)		205,771	11.04	
21.	POWER COST (17 + 20)		407,247	21.85	

REMARKS (Including Unscheduled Outages)

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USDA - REA OPERATING REPORT - LINES AND STATIONS	This data will be used to determine your operating results and financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.	REA USE ONLY
INSTRUCTIONS - Submit an original and two copies to REA. For details, see REA Bulletin 1717B-3.	BORROWER DESIGNATION Kentucky 59 & 63 GT Fayette	
	YEAR ENDING September 30, 2004	

SECTION A. EXPENSE AND COSTS

ITEMS	ACCOUNT NUMBER	LINES (a)	STATIONS (b)
TRANSMISSION OPERATION			
1. SUPERVISION AND ENGINEERING	560	1,192,950	1,503,626
2. LOAD DISPATCHING	561	1,372,681	
3. STATION EXPENSES	562		1,895,528
4. OVERHEAD LINE EXPENSES	563	1,282,772	
5. UNDERGROUND LINE EXPENSES	564		
6. MISCELLANEOUS EXPENSES	566	84,252	
7. SUBTOTAL (1 thru 6)		3,932,655	3,399,154
8. TRANSMISSION OF ELECTRICITY BY OTHERS	565	6,780,081	
9. RENTS	567	330,942	
10. TOTAL TRANSMISSION OPERATION (7 thru 9)		11,043,678	3,399,154
TRANSMISSION MAINTENANCE			
11. SUPERVISION AND ENGINEERING	568	90	109
12. STRUCTURES	569		
13. STATION EQUIPMENT	570		834,478
14. OVERHEAD LINES	571	1,684,067	
15. UNDERGROUND LINES	572		
16. MISCELLANEOUS TRANSMISSION PLANT	573	58,942	
17. TOTAL TRANSMISSION MAINTENANCE (11 thru 16)		1,743,099	834,587
18. TOTAL TRANSMISSION EXPENSE (10 + 17)		12,786,777	4,233,741
19. DISTRIBUTION EXPENSE - OPERATION	580 thru 589		584,220
20. DISTRIBUTION EXPENSE - MAINTENANCE	590 thru 598		971,817
21. TOTAL DISTRIBUTION EXPENSE (19 + 20)			1,556,037
22. TOTAL OPERATION AND MAINTENANCE (18 + 21)		12,786,777	5,789,778
FIXED COSTS			
23. DEPRECIATION - TRANSMISSION	403.5	3,572,789	1,007,709
24. DEPRECIATION - DISTRIBUTION	403.6		2,213,910
25. INTEREST - TRANSMISSION	427	4,130,823	2,432,917
26. INTEREST - DISTRIBUTION	427		2,630,115
27. TOTAL TRANSMISSION (18 + 23 + 25)		20,490,389	7,674,367
28. TOTAL DISTRIBUTION (21 + 24 + 26)			6,400,062
29. TOTAL LINES AND STATIONS (27 + 28)		20,490,389	14,074,429

SECTION B. FACILITIES IN SERVICE

SECTION C. LABOR AND MATERIAL SUMMARY

TRANSMISSION LINES				SUBSTATIONS		1. NUMBER OF EMPLOYEES		
VOLTAGE (kV)	MILES	TYPE	CAPACITY (kVA)	ITEM	LINES	STATIONS		
1. 34.5	0.86	9. STEPUP AT GEN-		2. OPER. LABOR	1,077,403	1,729,428		
2. 69	1,866.76	ERATING PLANTS	1,972,000	3. MAINT. LABOR	370,861	547,061		
3. 138	374.60	10. TRANSMISSION		4. OPER. MATERIAL	241,865	237,293		
4. 161	329.59		3,488,517	5. MAINT. MATERIAL	1,091,669	902,439		
5. 345	59.66	11. DISTRIBUTION		SECTION D. OUTAGES				
6. TOTAL (1 thru 5)	2,631.47		3,369,549	1. TOTAL		362,433		
7. DISTR. LINES		12. TOTAL		2. AVG. NO. DISTR. CONS. SERVED		476,632		
8. TOTAL (6 + 7)	2,631.47	(9 thru 11)	8,830,066	3. AVG. NO. HOURS OUT PER CONS.		0.76		

REA FORM 12i (12-93) *This is a computer-generated form.

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This data will be used by REA to review your operating results financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

USDA-REA OPERATING REPORT - FINANCIAL	BORROWER DESIGNATION Kentucky 59 & 63 GT Fayette BORROWER DESIGNATION East Kentucky Power Cooperative P. O. Box 707 Winchester, Kentucky 40392-0707
INSTRUCTIONS-Submit an original and two copies to REA. Round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-3.	PERIOD ENDED October 31, 2004
REA USE ONLY	

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.


 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT


 SIGNATURE OF MANAGER

November 17, 2004
 DATE

November 17, 2004
 DATE

SECTION A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	(d)
1. Electric Energy Revenues	357,688,663	403,617,826	409,821,870	32,967,113
2. Income From Leased Property - Net	0	0	0	0
3. Other Operating Revenue and Income	8,075,936	9,114,005	8,436,689	940,482
4. Total Oper. Revenues & Patronage Capital (1 thru 3)	365,764,599	412,731,831	418,258,559	33,907,595
5. Operation Expense - Production - Excluding Fuel	22,057,770	27,812,940	30,333,064	4,010,004
6. Operation Expense - Production - Fuel	113,903,235	138,158,035	140,447,230	13,683,228
7. Operation Expense - Other Power Supply	81,724,679	112,525,007	85,457,503	8,494,552
8. Operation Expense - Transmission	13,820,088	16,047,326	12,465,729	1,604,494
9. Operation Expense - Distribution	618,519	644,682	1,330,201	60,462
10. Operation Expense - Consumer Accounts	342	(243)	0	0
11. Operation Expense - Consumer Service & Inform	1,672,236	2,605,816	3,624,491	435,417
12. Operation Expense - Sales	1,356,069	1,871,628	2,161,408	328,558
13. Operation Expense - Administrative & General	18,198,127	22,914,857	20,099,170	3,040,306
14. Total Operation Expense (5 thru 13)	253,351,065	322,580,048	295,918,796	31,657,021
15. Maintenance Expense - Production	24,954,089	37,469,435	24,167,474	9,212,123
16. Maintenance Expense - Transmission	2,638,154	3,077,046	3,711,537	499,360
17. Maintenance Expense - Distribution	795,720	1,053,505	854,173	81,688
18. Maintenance Expense - General Plant	57,526	516,361	546,741	41,420
19. Total Maintenance Expense (15 thru 18)	28,445,489	42,116,347	29,279,925	9,834,591
20. Depreciation & Amortization Expense	24,793,361	32,299,896	34,682,366	3,212,962
21. Taxes	9	3,873	0	136
22. Interest on Long-Term Debt	36,017,297	44,152,440	53,132,862	4,746,713
23. Interest Charged to Construction - Credit	0	0	0	0
24. Other Interest Expense	569,340	353,596	240,000	36,873
25. Other Deductions	1,081,373	1,150,648	437,987	289,083
26. Total Cost of Electric Service (14 + 19 thru 25)	344,257,934	442,656,848	413,691,936	49,777,379
27. Operating Margins (4 - 26)	21,506,665	(29,925,017)	4,566,623	(15,869,784)
28. Interest Income	2,467,632	2,031,246	1,932,774	217,001
29. Allowance for Funds Used During Construction	6,867,124	12,951,461	13,299,844	1,463,377
30. Income (Loss) from Equity Investments	0	0	0	0
31. Other Nonoperating Income - Net	48,743	159,007	(70,359)	65,018
32. Generation & Transmission Capital Credits	0	0	0	0
33. Other Capital Credits & Patronage Dividends	142,973	254,409	150,500	1,475
34. Extraordinary Items	0	0	0	0
35. Net Patronage Capital or Margins (27 thru 34)	31,033,137	(14,528,894)	19,879,382	(14,122,913)
ITEM	Mills/kWh (Optional Use by Borrower)			
36. Electric Energy Revenue Per kWh Sold		42.11	0.00	
37. Total Operation & Maintenance Expense Per kWh Sold		37.42	0.00	
38. Total Cost of Electric Service Per kWh Sold		45.42	0.00	
39. Purchased Power Cost Per kWh		41.57	0.00	

USDA - REA		BORROWER DESIGNATION	
OPERATING REPORT - FINANCIAL		Kentucky 59 & 63 GT Fayette	
		PERIOD ENDED	REA USE ONLY
		October 31, 2004	
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant In Service	1,534,232,130	32. Memberships	1,600
2. Construction Work in Progress	450,902,164	33. Patronage Capital	
3. Total Utility Plant (1 + 2)	1,985,134,294	a. Assigned and Assignable	165,660,307
4. Accum. Provision for Depreciation & Amort.	720,749,341	b. Retired This Year	0
5. Net Utility Plant (3 - 4)	1,264,384,953	c. Retired Prior Years	0
6. Non-Utility Property - Net	820	d. Net Patronage Capital	165,660,307
7. Investments in Subsidiary Companies	0	34. Operating Margins - Prior Years	0
8. Invest. in Assoc. Org. - Patronage Capital	817,086	35. Operating Margins - Current Year.	(29,670,608)
9. Invest. In Assoc. Org. - Other - General Funds	32,845,992	36. Non-Operating Margins	15,141,714
10. Invest. In Assoc. Org. - Other - Non-General Funds	0	37. Other Margins and Equities	3,718,488
11. Investments in Economic Development Projects	0	38. Total Margins & Equities (32, 33d thru 37)	154,851,501
12. Other Investments.	25,768,752	39. Long-Term Debt - REA (Net)	60,862,682
13. Special Funds	4,135,205	(Payments-Unapplied\$)	
14. Total Other Property & Investments (6 thru 13)	63,567,855	40. Long-Term Debt-Other-Econ. Devel. (net).	0
15. Cash - General Funds	(1,346,075)	41. Long-Term Debt-FFB-REA Guaranteed	767,057,146
16. Cash - Construction Funds - Trustee	500	42. Long-Term Debt-Other-REA Guaranteed	0
17. Special Deposits	425	43. Long-Term Debt-Other (Net)	307,616,198
18. Temporary Investments	23,625	44. Total Long-Term Debt (39 thru 43)	1,135,536,026
19. Notes Receivable (Net)	0	45. Obligations Under Capital Leases - Noncurrent	0
20. Accounts Receivable - Sales of Energy (Net)	34,881,818	46. Accumulated Operating Provisions	47,617,659
21. Accounts Receivable - Other (Net)	631,934	47. Total Other Noncurrent Liabilities (45 + 46)	47,617,659
22. Fuel Stock	33,975,857	48. Notes Payable	20,977,197
23. Materials and Supplies - Other	25,960,995	49. Accounts Payable	53,373,614
24. Prepayments	1,739,597	50. Taxes Accrued	(29,924)
25. Other Current and Accrued Assets	102,448	51. Interest Accrued	5,246,917
26. Total Current and Accrued Assets (15 thru 25)	95,971,124	52. Other Current & Accrued Liabilities	3,484,186
27. Unamortized Debt Disc. & Extraord. Prop. Losses	876,060	53. Total Current & Accrued Liabilities (48 thru 52)	83,051,990
28. Regulatory Assets.	0	54. Deferred Credits	3,811,972
29. Other Deferred Debits	69,156	55. Accumulated Deferred Income Taxes	0
30. Accumulated Deferred Income Taxes	0	56. Total Liabilities and Other Credits	
31. Total Assets & Other Debits (5+14+26 thru 30)	1,424,869,148	(38+44+47+53 thru 55)	1,424,869,148

SECTION C. NOTES TO FINANCIAL STATEMENTS

THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.
(IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

Interest, other applicable financing costs, and interest earnings on the canceled Smith Station Project were \$517,525.79 in October 2004, and \$5,167,288.89 year-to-date.

East Kentucky Power provides steam service to Inland Container, a recycle papermill adjacent to East Kentucky Power's Spurlock generating station near Maysville, Kentucky. The steam is sold wholesale to Fleming Mason RECC. For reporting purposes, steam is converted to equivalent demand and energy sold and generation produced, using British Thermal Units and a moving twelve-month weighted average heat rate.

October 2004 Demand\MMBTU	315.000	Energy\MMBTU	191,893.200
Year-to-date		Energy\MMBTU	1,872,516.300

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

OPERATING REPORT
SALES OF ELECTRICITY

BORROWER DESIGNATION
Kentucky 59 & 3 GT Fayette
East Kentucky Power Cooperative
P. O. Box 707
Winchester, Kentucky 40392-0707

PERIOD ENDED: October 2004

This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. Seq.) and may be confidential.

INSTRUCTIONS - Submit an original and two copies to RUS or file electronically.
For detailed instructions, see RUS Bulletin 1717B-3.

	Name of Company or Public Authority (Footnote Affiliations)	Statistical Classification	FERC Rate Schedule or Tariff Number	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)		Megawatt-hours Sold (g)	REVENUE				Total (\$) (h + i + j)
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)		Demand Charges (\$) (h)	Energy Charges (i)	Other Charges (j)	(k)	
1.	Big Sandy RECC	RQ	P.S.C. #24/25	48,353		48,353	219,566	2,524,031	5,794,172	1,284,854	9,603,057	
2.	Blue Grass	RQ	P.S.C. #24/25	207,679		207,679	964,511	10,795,976	24,814,626	5,592,939	41,203,541	
3.	Clark REC	RQ	P.S.C. #24/25	77,284		77,284	349,794	4,034,217	9,243,562	2,166,711	15,444,490	
4.	Cumberland Valley RECC	RQ	P.S.C. #24/25	84,625		84,625	395,253	4,418,537	10,434,286	2,347,888	17,200,711	
5.	Farmers RECC	RQ	P.S.C. #24/25	87,507		87,507	424,397	4,583,107	11,011,573	2,409,982	18,004,662	
6.	Fleming Mason RECC	RQ	P.S.C. #24/25	151,460		151,460	778,245	7,129,126	20,136,325	3,686,216	30,951,667	
7.	Grayson RECC	RQ	P.S.C. #24/25	47,379		47,379	213,293	2,480,081	5,583,252	1,377,566	9,440,899	
8.	Inter-County RECC	RQ	P.S.C. #24/25	82,158		82,158	351,788	4,214,761	9,199,152	2,072,305	15,486,218	
9.	Jackson County RECC	RQ	P.S.C. #24/25	171,866		171,866	769,392	8,996,716	20,038,230	4,529,879	33,564,825	
10.	Licking Valley RECC	RQ	P.S.C. #24/25	48,078		48,078	217,300	2,509,650	5,739,788	1,325,731	9,575,169	
11.	Nolin RECC	RQ	P.S.C. #24/25	122,989		122,989	594,003	6,032,077	15,198,562	3,422,738	24,653,377	
12.	Owen EC	RQ	P.S.C. #24/25	310,707		310,707	1,716,698	19,237,449	45,812,150	4,734,543	69,784,142	
13.	Salt River RECC	RQ	P.S.C. #24/25	163,467		163,467	743,064	8,551,948	19,458,284	4,286,789	32,299,021	
14.	Shelby RECC	RQ	P.S.C. #24/25	73,096		73,096	367,424	3,870,412	9,192,870	2,131,795	15,195,077	
15.	South Kentucky RECC	RQ	P.S.C. #24/25	206,915		206,915	928,896	10,787,666	24,131,558	5,422,379	40,341,603	
16.	Taylor County RECC	RQ	P.S.C. #24/25	94,383		94,383	440,731	4,452,175	12,634,084	2,126,337	19,212,596	
17.							217,730	1,228,416	4,461,993	1,002,917	6,693,326	
18.	Fleming Mason RECC**			35,708		35,708						
19.	Green Power ***								56,377		56,377	
20.												
21.												
22.												
23.												
24.												
25.												
26.												
27.	SUBTOTAL			2,013,652		2,013,652	9,692,085	105,846,345	252,940,844	49,923,569	408,710,758	

RUS FORM 12b SE (Rev. 12-02)
** Includes equivalent kWh for steam sold to Fleming Mason RECC for Inland Container

*** Includes Green Power from various Co-Ops

(d) represents monthly average of actual kW demand (YTD @ current month)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE
OPERATING REPORT
PURCHASED POWER

BORROWER DESIGNATION
Kentucky 59 & 3 GT Fayette
East Kentucky Power Cooperative
P. O. Box 707
Winchester, Kentucky 40392-0707

Name of Company or Public Authority (Footnote Affiliations)	Statistical Classification	FERC Rate Schedule or Tariff Number	Average Monthly Billing Demand (MW)	Actual Demand (MW)		Average Monthly CP Demand	Megawatt-hour Sold	REVENUE				Total (\$) (h + i + j)
				Average Monthly NCP Demand	Average Monthly CP Demand			Demand Charges (\$)	Energy Charges	Other Charges	Total (\$) (k)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1. Allegheny Energy	OS					60	0	4,560			4,560	4,560
2. Ameren Energy Generating	OS					16,396	0	557,694			557,694	557,694
3. American Electric Power	OS					172,655	3,753,750	7,149,848			10,903,598	10,903,598
4. Associated Electric Cooperative	OS					199,689	0	9,891,171			9,891,171	9,891,171
5. Big Rivers Electric Corporation	OS					60,215	0	2,636,428			2,636,428	2,636,428
6. Cargill Power Markets	OS					285,367	0	14,037,789			14,037,789	14,037,789
7. Cinergy Services	OS					561,072	115,200	21,894,170			22,009,370	22,009,370
8. Cox Waste-to-Energy	OS					1,233	3,491	30,085			33,576	33,576
9. Dayton Power & Light	OS					3,719	0	152,325			152,325	152,325
10. DTE Energy Trading	OS					1,500	206,400	47,200			253,600	253,600
11. Duke Energy Trading & Marketing	OS					19,535	0	1,179,302			1,179,302	1,179,302
12. Duke Power	OS					39,793	0	1,955,752			1,955,752	1,955,752
13. Dynegy Power Marketing	OS					3,540	0	212,633			212,633	212,633
14. Entergy-Koch Trading	OS					3,665	0	191,446			191,446	191,446
15. Exelon Power Team	OS					24,680	0	1,093,149			1,093,149	1,093,149
16. Hoosier Energy	OS					52,389	0	1,792,887			1,792,887	1,792,887
17. Indianapolis Power & Light	OS					69,354	0	2,159,743	279,817		2,439,560	2,439,560
18. Louisville Gas & Electric	OS					463,795	3,620,154	10,618,414	422,364		14,660,932	14,660,932
19. LG&E Energy Marketing	OS					132	0	6,412			6,412	6,412
20. Northern Indiana Public Service	OS					2,089	0	86,989			86,989	86,989
21. Old Dominion Electric	OS					790	0	16,355			16,355	16,355
22. Ogelthorpe Power	OS					0	0	0			0	0
23. Progress Energy Carolinas, Inc.	OS					5,142	0	268,720			268,720	268,720
24. Southeastern Power Administration	OS					246,103	3,794,400	2,246,921			6,041,321	6,041,321
25. Southern Company Services	OS					35,884	0	1,677,596			1,677,596	1,677,596
26. Southern Illinois Power Cooperative	OS					15,107	0	546,790			546,790	546,790
27. Southern Indiana Gas & Electric	OS					10,143	0	368,640			368,640	368,640
28. Tenaska Power Services	OS					2,182	0	133,134			133,134	133,134
29. Tennessee Valley Authority	OS					164,229	0	8,734,750			8,734,750	8,734,750
30. The Energy Authority	OS					-	0	0			0	0
31. Wabash Valley Power	OS					138,944	0	6,173,188			6,173,188	6,173,188
31. Williams Energy Marketing & Trading	OS					-	-	-			0	0
TOTALS						2,599,402	11,493,395	95,864,091	702,181		108,059,667	108,059,667

PERIOD ENDED: October 2004
This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. Sec.) and may be confidential.

INSTRUCTIONS - Submit an original and two copies to RUS or file electronically.
For detailed instructions, see RUS Bulletin 1717B-3.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE OPERATING REPORT SOURCES AND DISTRIBUTION OF ENERGY		BORROWER DESIGNATION Kentucky 59 & 3 GT Fayette East Kentucky Power Cooperative P. O. Box 707 Winchester, Kentucky 40392-0707			
		PERIOD ENDED: October 2004			
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. For detailed instructions, see RUS Bulletin 1717B-3.		NO. OF PLANTS	NAMEPLATE CAPACITY	NET ENERGY RECEIVED BY SYSTEM (MWh)	COST
SOURCES OF ENERGY (a)		(b)	(c)	(d)	(e)
GENERATED IN OWN PLANT (Details on Forms 12d, e, f and g)					
1. Fossil Steam		3	1,454,564	7,295,633	226,557,607
2. Nuclear					
3. Hydro					
4. Combined Cycle					
5. Internal Combustion		3	484,600	116,595	25,934,079
6. Other		3	8,800	47,393	1,301,015
7. TOTAL in Own Plan (Sum of Lines 1 thru 6)		9	1,947,964	7,459,621	253,792,701
PURCHASED POWER					
8. Total Purchased Power				2,599,402	108,059,667
9. Received Into System (Gross)				46,015	598,218
10. Delivered Out of System (Gross)				(37,368)	(485,783)
11. Net Interchange (Line 9 - Line 10)				8,647	112,435
TRANSMISSION FOR OR BY OTHERS - (WHEELING)					
12. Received Into System				2,643,998	0
13. Delivered Out of System				2,643,998	0
14. Net Energy Wheeled (Line 12 minus Line 13)				0	0
15. TOTAL Energy Available for Sale (Sum of lines 7 + 8 + 11 + 14)				10,067,670	
DISTRIBUTION OF ENERGY					
16. TOTAL Sales				9,744,813	
17. Energy Furnished by Others Without Charge				0	
18. Energy Used by Borrower (Excluding Station Use)				7,394	
19. TOTAL Energy Accounted For (Sum of Lines 16 thru 18)				9,752,207	
LOSSES					
20. Energy Losses - MWh (Line 15 minus 19)				315,463	
21. Energy Losses - Percentage (Line 20 divided by 15) * 100)				3.13%	

Public reporting burden for this collection of information is estimated to average 24.25 hours (REA Forms 12-i) per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, Room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0572-0017), Washington, DC 20503. OMB FORM NO. 0572-0017, Expires 12/31/94. This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

USDA - REA OPERATING REPORT - STEAM PLANT	This data will be used to determine your operating results and financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.						
INSTRUCTIONS - Submit an original and two copies to REA. For details, see REA Bulletin 1717B-3.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">BORROWER DESIGNATION Kentucky 59 GT Fayette</td> <td style="width: 30%; text-align: center;">REA USE ONLY</td> </tr> <tr> <td>PLANT Dale Power Station</td> <td></td> </tr> <tr> <td>YEAR ENDING October 31, 2004</td> <td></td> </tr> </table>	BORROWER DESIGNATION Kentucky 59 GT Fayette	REA USE ONLY	PLANT Dale Power Station		YEAR ENDING October 31, 2004	
BORROWER DESIGNATION Kentucky 59 GT Fayette	REA USE ONLY						
PLANT Dale Power Station							
YEAR ENDING October 31, 2004							

SECTION A. BOILERS

LINE NO.	UNIT NO.	TIMES STARTED	FUEL CONSUMPTION					OPERATING HOURS			
			COAL (1000 Lbs.) (c)	OIL (1000 Gals.) (d)	GAS (1000 C.F.) (e)	OTHER (f)	TOTAL (g)	IN SERVICE (h)	ON STANDBY (i)	OUT OF SERVICE	
									Scheduled (j)	Unscheduled (k)	
1.	1	10	113,091.8	18.628				6663	0	604	53
2.	2	8	114,726.6	21.091				6739	0	508	73
3.	3	8	348,127.3	40.322				6739	0	348	233
4.	4	3	365,261.1	30.861				6840	0	307	173
5.											
6.	Total	29	941,206.8	110.902	0			26981	0	1767	532
7.	Average BTU		12,495 /Lb.	138,600 /Gal.	/C.F.	/					
8.	Total BTU (10)	6	11,760,379	15,371			11,775,750				
9.	Total Del. Cost (\$)		42.11	1.1290							

SECTION B. TURBINE GENERATING UNITS

SECTION C. LABOR REPORT

SECTION D. FACTORS & MAX. DEMAND

LINE NO.	UNIT NO.	SIZE (kW)	GROSS GEN (MWh)	BTU Per kWh	LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE
1.	1	24,000	125,273			No. Emp. Full Time		1.	Load Factor (%)	71.25
2.	2	24,000	127,847		1.	(inc. Superintendent)	66	2.	Plant Factor (%)	71.02
3.	3	79,836	405,304		2.	No. Emp. Part Time	0			
4.	4	79,836	421,202		3.	Total Emp.-Hrs. Worked	121,871	3.	Running Plant Capacity Factor (%)	76.80
5.					4.	Oper. Plant Payroll (\$)	2,849,722	4.	15 Minute Gross Maximum Demand (kW)	
6.	Total	207,672	1,079,626	10,907	5.	Maint. Plant Payroll (\$)	911,181	5.	Indicated Gross Maximum Demand (kW)	207,000
7.	Station Service (MWh)		78,905		6.	Other Accs. Plant Payroll (\$)	13,587			
8.	Net Generation(MWh)		1,000,721	11,767	7.	TOTAL				
9.	Station Service (%)		7.31			Plant Payroll (\$)	3,774,490			

SECTION E. COST OF NET ENERGY GENERATED

LINE NO.	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT (\$) (a)	MILLS/NET kWh (b)	\$/MMBTU (c)
1.	Operation, Supervision and Engineering	500	1,553,363		
2.	Fuel, Coal	501.1	20,093,512		1.71
3.	Fuel, Oil	501.2	125,206		8.15
4.	Fuel, Gas	501.3	0		0.00
5.	Fuel, Other	501.4	0		0.00
6.	FUEL SUB-TOTAL (2 thru 5)	501	20,218,718	20.20	1.72
7.	Steam Expenses	502	1,346,579		
8.	Electric Expenses	505	846,505		
9.	Miscellaneous Steam Power Expenses	506	657,355		
10.	Allowances	509	895,501		
11.	Rents	507	0		
12.	NON-FUEL SUB-TOTAL (1 + 7 thru 10)		5,299,303	5.30	
13.	OPERATION EXPENSES (6 + 11)		25,518,021	25.50	
14.	Maintenance, Supervision and Engineering	510	64,282		
15.	Maintenance of Structures	511	202,861		
16.	Maintenance of Boiler Plant	512	3,571,296		
17.	Maintenance of Electric Plant	513	393,769		
18.	Maintenance of Miscellaneous Plant	514	21,390		
19.	MAINTENANCE EXPENSE (14 thru 18)		4,253,598	4.25	
20.	TOTAL PRODUCTION EXPENSE (13 + 19)		29,771,619	29.75	
21.	Depreciation	403.1	419,500		
22.	Interest	427	2,339,110		
23.	TOTAL FIXED COSTS (21 + 22)		2,758,610	2.76	
24.	POWER COST (20 + 23)		32,530,229	32.51	

Public reporting burden for this collection of information is estimated to average 24.25 hours (REA Forms 12-i) per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, Room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0572-0017), Washington, DC 20503. OMB FORM NO. 0572-0017, Expires 12/31/94. This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

USDA - REA OPERATING REPORT - STEAM PLANT	This data will be used to determine your operating results and financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.				
INSTRUCTIONS - Submit an original and two copies to REA. For details, see REA Bulletin 1717B-3.	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;"> BORROWER DESIGNATION Kentucky 59 GT Fayette PLANT Cooper Power Station </td> <td style="width:40%; text-align: center; vertical-align: middle;"> REA USE ONLY </td> </tr> <tr> <td colspan="2" style="padding: 5px;"> YEAR ENDING October 31, 2004 </td> </tr> </table>	BORROWER DESIGNATION Kentucky 59 GT Fayette PLANT Cooper Power Station	REA USE ONLY	YEAR ENDING October 31, 2004	
BORROWER DESIGNATION Kentucky 59 GT Fayette PLANT Cooper Power Station	REA USE ONLY				
YEAR ENDING October 31, 2004					

SECTION A. BOILERS

LINE NO.	UNIT NO.	TIMES STARTED	FUEL CONSUMPTION					OPERATING HOURS			
			COAL (1000 Lbs.) (c)	OIL (1000 Gals.) (d)	GAS (1000 C.F.) (e)	OTHER (f)	TOTAL (g)	IN SERVICE (h)	ON STANDBY (i)	OUT OF SERVICE	
	(a)	(b)							Scheduled (j)	Unscheduled (k)	
1.	1	9	536,986.2	31.610				6949	0	288	83
2.	2	7	1,037,699.6	58.394				6720	0	474	126
3.											
4.											
5.											
6.	Total	16	1,574,685.8	90.004				13,669	0	762	209
7.	Average BTU		12,068 /Lb.	138,600 /Gal.							
8.	Total BTU (10)	6	19,003,308	12,475			19,015,783				
9.	Total Del. Cost (\$)		36.68	1.0464							

SECTION B. TURBINE GENERATING UNITS

SECTION C. LABOR REPORT

SECTION D. FACTORS & MAX. DEMAND

LINE NO.	UNIT NO.	SIZE (kW)	GROSS GEN. (MWh)	BTU Per kWh	LINE NO.	ITEM	LINE NO.	ITEM	VALUE	
	(a)	(b)	(c)	(d)						
1.	1	100,000	689,994			No. Emp. Full Time	1.	Load Factor (%)	74.37	
2.	2	220,850	1,313,352		1.	(inc. Superintendent)	76	2.	Plant Factor (%)	85.30
3.					2.	No. Emp. Part Time	0			
4.					3.	Total Emp.-Hrs. Worked	143,554	3.	Running Plant	
5.					4.	Oper. Plant Payroll (\$)	2,811,157	4.	Capacity Factor (%)	91.64
6.	Total	320,850	2,003,346	9,492	5.	Maint. Plant Payroll (\$)	1,440,774	5.	15 Minute Gross	
7.	Station Service (MWh)		124,780		6.	Other Accts. Plant Payroll (\$)	4,808	6.	Maximum Demand (kW)	
8.	Net Generation (MWh)		1,878,566	10,122	7.	TOTAL		7.	Indicated Gross	
9.	Station Service (%)		6.23			Plant Payroll (\$)	4,256,739	8.	Maximum Demand (kW)	368,000

SECTION E. COST OF NET ENERGY GENERATED

LINE NO.	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT (\$)	MILLS/NET kWh	\$/MMBTU
			(a)	(b)	(c)
1.	Operation, Supervision and Engineering	500	1,259,642		
2.	Fuel, Coal	501.1	29,627,815		1.56
3.	Fuel, Oil	501.2	94,183		7.55
4.	Fuel, Gas	501.3	0		0.00
5.	Fuel, Other	501.4	0		0.00
6.	FUEL SUB-TOTAL (2 thru 5)	501	29,721,998	15.82	1.56
7.	Steam Expenses	502	1,218,097		
8.	Electric Expenses	505	890,866		
9.	Miscellaneous Steam Power Expenses	506	1,236,519		
10.	Allowances	509	3,524,239		
11.	Rents	507	0		
12.	NON-FUEL SUB-TOTAL (1 + 7 thru 10)		8,129,363	4.33	
13.	OPERATION EXPENSES (6 + 11)		37,851,361	20.15	
14.	Maintenance, Supervision and Engineering	510	335,168		
15.	Maintenance of Structures	511	395,220		
16.	Maintenance of Boiler Plant	512	2,414,593		
17.	Maintenance of Electric Plant	513	653,174		
18.	Maintenance of Miscellaneous Plant	514	88,971		
19.	MAINTENANCE EXPENSE (14 thru 18)		3,887,126	2.07	
20.	TOTAL PRODUCTION EXPENSE (13 + 19)		41,738,487	22.22	
21.	Depreciation	403.1	390,003		
22.	Interest	427	2,339,110		
23.	TOTAL FIXED COSTS (21 + 22)		2,729,113	1.45	
24.	POWER COST (20 + 23)		44,467,600	23.67	

Public reporting burden for this collection of information is estimated to average 24.25 hours (REA Forms 12-i) per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, Room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0572-0017), Washington, DC 20503. OMB FORM NO. 0572-0017, Expires 12/31/94. This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

USDA - REA OPERATING REPORT - STEAM PLANT	This data will be used to determine your operating results and financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.				
INSTRUCTIONS - Submit an original and two copies to REA. For details, see REA Bulletin 1717B-3.	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;"> BORROWER DESIGNATION Kentucky 59 GT Fayette PLANT Spurlock Power Station </td> <td style="width:40%; text-align: center; vertical-align: middle;"> REA USE ONLY </td> </tr> <tr> <td style="text-align: right;"> YEAR ENDING October 31, 2004 </td> <td></td> </tr> </table>	BORROWER DESIGNATION Kentucky 59 GT Fayette PLANT Spurlock Power Station	REA USE ONLY	YEAR ENDING October 31, 2004	
BORROWER DESIGNATION Kentucky 59 GT Fayette PLANT Spurlock Power Station	REA USE ONLY				
YEAR ENDING October 31, 2004					

**** SECTION A. BOILERS**

LINE NO.	UNIT NO.	TIMES STARTED	FUEL CONSUMPTION				OPERATING HOURS				
			(c)	OIL (1000 Gals.) (d)	GAS (1000 C.F.) (e)	OTHER (f)	TOTAL (g)	IN SERVICE (h)	ON STANDBY (i)	OUT OF SERVICE	
			(c)	(d)	(e)	(f)	(g)	(h)	(i)	Scheduled (j)	Unscheduled (k)
1.	1	8	867,920.0	218.798				3871	0	1035	2414
2.	2	3	2,719,242.0	66.180				7170	0	41	109
3.											
4.											
5.											
6.	Total	11	3,587,162.0	284.978				11,041	0	1076	2523
7.	Average BTU		12,161 /Lb.	138,600 /Gal.	/C.F.	/					
8.	Total BTU (10)		43,623,477	39,498			43,662,975				
9.	Total Del. Cost (\$)		41.11	1.0256							

****SECTION B. TURBINE GENERATING UNITS SECTION C. LABOR REPORT **SECTION D. FACTORS & MAX. DEMAND**

LINE NO.	UNIT NO.	SIZE (kW)	GROSS GEN. (MWh)	BTU Per kWh	LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1.	1	340,277	1,125,876		1.	No. Emp. Full Time (inc. Superintendent)	138	1.	Load Factor (%)	72.63
2.	2	585,765	3,552,336		2.	No. Emp. Part Time	6	2.	Plant Factor (%)	69.01
3.					3.	Total Emp.-Hrs. Worked	332,241	3.	Running Plant	
4.					4.	Oper. Plant Payroll (\$)	4,660,992	4.	Capacity Factor (%)	84.79
5.					5.	Maint. Plant Payroll (\$)	4,265,067	5.	15 Minute Gross	
6.	Total	926,042	4,678,212	9,333	6.	Other Accts. Plant Payroll (\$)	991,890	6.	Maximum Demand (kW)	
7.	Station Service (MWh)		261,866		7.	TOTAL		7.	Indicated Gross	
8.	Net Generation (MWh)		4,416,346	9,887				8.	Maximum Demand (kW)	880,000
9.	Station Service (%)		5.60							

SECTION E. COST OF NET ENERGY GENERATED

LINE NO.	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT (\$)	MILLS/NET kWh	\$/MMBTU
(a)	(b)	(c)	(d)	(e)	(f)
1.	Operation, Supervision and Engineering	500	1,672,578		
2.	Fuel, Coal	501.1	76,664,859		1.76
3.	Fuel, Oil	501.2	288,326		7.30
4.	Fuel, Gas	501.3	0		0.00
5.	Fuel, Other	501.4	0		0.00
6.	FUEL SUB-TOTAL (2 thru 5)	501	76,953,185	17.42	1.76
7.	Steam Expenses	502	3,500,363		
8.	Electric Expenses	505	1,409,482		
9.	Miscellaneous Steam Power Expenses	506	2,649,581		
10.	Allowances	509	2,817,508		
11.	Rents	507	0		
12.	NON-FUEL SUB-TOTAL (1 + 7 thru 10)		12,049,512	2.73	
13.	OPERATION EXPENSES (6 + 11)		89,002,697	20.15	
14.	Maintenance, Supervision and Engineering	510	956,474		
15.	Maintenance of Structures	511	1,021,271		
16.	Maintenance of Boiler Plant	512	16,928,028		
17.	Maintenance of Electric Plant	513	9,601,983		
18.	Maintenance of Miscellaneous Plant	514	1,847		
19.	MAINTENANCE EXPENSE (14 thru 18)		28,509,603	6.46	
20.	TOTAL PRODUCTION EXPENSE (13 + 19)		117,512,300	26.61	
21.	Depreciation	403.1	13,574,097		
22.	Interest	427	18,473,381		
23.	TOTAL FIXED COSTS (21 + 22)		32,047,478	7.26	
24.	POWER COST (20 + 23)		149,559,778	33.87	

Public reporting burden for this collection of information is estimated to average 24 25 hours (REA Forms 12-i) per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, Room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0572-0017), Washington, DC 20503. OMB FORM NO. 0572-0017, Expires 12/31/94.

USDA - REA		This data will be used to determine your operating results and financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.										
OPERATING REPORT - INTERNAL COMBUSTION PLANT						BORROWER DESIGNATION					REA USE ONLY	
INSTRUCTIONS - Submit an original and two copies to REA. For details, see REA Bulletin 1717B-3.						Kentucky 59 GT Fayette						
						PLANT Smith Generating Facility						
						YEAR ENDING October 31, 2004						
SECTION A. INTERNAL COMBUSTION GENERATING UNITS												
LINE NO.	UNIT NO.	SIZE (kW)	FUEL CONSUMPTION				OPERATING HOURS				GROSS GENERATION (MWh)	BTU PER kWh
			OIL (1000 Gals.)	GAS (1000 C.F.)	OTHER	TOTAL	IN SERVICE	ON STANDBY	OUT OF SERVICE			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	Scheduled (i)	Unscheduled (j)	(k)	(l)
1.	1	110,500	152.257	334.264			412	6,100	806	2	24,041	
2.	2	110,500	119.457	489.467			589	5,782	949	0	32,544	
3.	3	110,500	107.764	381.694			443	6,637	214	26	27,371	
4.	4	74,000	163.612	194.253			258	7,051	11	0	17,901	
5.	5	74,000	21.830	175.554			203	7,106	11	0	15,229	
6.	TOTAL	479,500	564.920	1,575.232			1,905	32,676	1,991	28	117,086	14,122
7.	Average BTU		138,600 /Gal.	1,000 /C.F.	/		STATION SERVICE (MWh)				491	
8.	Total BTU (10)		78,298	1,575,232		1,653,530	NET GENERATION (MWh)				116,595	14,182
9.	Total Del. Cost (\$)		0.7683	6.4183			STATION SERVICE % OF GROSS				0.42	
SECTION B. LABOR REPORT						SECTION C. FACTORS & MAXIMUM DEMAND						
LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE				
1.	No. Emp. Full Time (inc. Superintendent)	8	5.	Maint. Plant Payroll (\$)	38,307	1.	Load Factor (%)	3.21				
			6.	Other Accounts Plant Payroll (\$)	13,786	2.	Plant Factor (%)	3.34				
2.	No. Emp. Part Time	0				3.	Running Plant Capacity Factor (%)	60.46				
3.	Total Emp-Hrs Worked	21,078	7.	TOTAL Plant Payroll (\$)	615,147	4.	15 Minute Gross Maximum Demand (kW)					
4.	Oper. Plant Payroll (\$)	563,054				5.	Indicated Gross Maximum Demand (kW)	499,000				
SECTION D. COST OF NET ENERGY GENERATED												
LINE NO.	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT (\$)	MILLS/NET kWh	\$/MMBTU							
			(a)	(b)	(c)							
1.	Operation, Supervision and Engineering	546	268,521									
2.	Fuel, Oil	547.1	434,028		5.54							
3.	Fuel, Gas	547.2	10,678,442		6.78							
4.	Fuel, Other	547.3	0									
5.	Energy For Compressed Air	547.4	0									
6.	FUEL SUB-TOTAL (2 thru 5)	547	11,112,470	95.31	6.72							
7.	Generation Expenses	548	947,783									
8.	Miscellaneous Other Power Generation Expenses	549/509	647,283									
9.	Rents	550	726									
10.	NON-FUEL SUB-TOTAL (1 + 7 thru 9)		1,864,313	15.99								
11.	OPERATION EXPENSE (6 + 10)		12,976,783	111.30								
12.	Maintenance, Supervision and Engineering	551	55,061									
13.	Maintenance of Structures	552	7,202									
14.	Maintenance of Generating and Electric Plant	553	725,626									
15.	Maintenance of Miscellaneous Other Power Generating Plant	554	5,910									
16.	MAINTENANCE EXPENSE (12 thru 15)		793,799	6.81								
17.	TOTAL PRODUCTION EXPENSE (11 + 16)		13,770,582	118.11								
18.	Depreciation	403.4	6,681,184									
19.	Interest	427	5,419,665									
20.	TOTAL FIXED COST (18 + 19)		12,100,849	103.79								
21.	POWER COST (17 + 20)		25,871,431	221.89								
REMARKS (Including Unscheduled Outages)												
Account 50950, Allowances for SO2 emissions, has been included in line 8												
12100849												

Public reporting burden for this collection of information is estimated to average 24.25 hours (REA Forms 12-1) per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIKM, Room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0512-0011), Washington, DC 20503. OMB FORM NO. 0512-0011, Expires 12/31/94.

USDA - REA			<i>This data will be used to determine your operating results and financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.</i>									
OPERATING REPORT - INTERNAL COMBUSTION PLANT			BORROWER DESIGNATION Kentucky 59 GT Fayette PLANT Cagle's Diesel Generating Unit							REA USE ONLY		
INSTRUCTIONS - Submit an original and two copies to REA. For details, see REA Bulletin 1717B-3.			YEAR ENDING October 31, 2004									
SECTION A. INTERNAL COMBUSTION GENERATING UNITS												
LINE NO.	UNIT NO.	SIZE (kW) (b)	FUEL CONSUMPTION				OPERATING HOURS				GROSS GENERATION (MWh) (k)	BTU PER kWh (l)
			OIL (1000 Gals) (c)	GAS (1000 C.F.) (d)	OTHER (e)	TOTAL (f)	IN SERVICE (g)	ON STANDBY (h)	OUT OF SERVICE SCHEDULED (i)	UNCHEDULED (j)		
1.	1	1,750	0.000					8	7,312			
2.	2	1,750	0.000					8	7,312			
3.												
4.												
5.												
6.	TOTAL	3,500	0.000						14,624			
7.	Average BTU		138,600 /Gal.	1,000 /C.F.				STATION SERVICE (MWh)				
8.	Total BTU (10)		0			0	NET GENERATION (MWh)				0	
9.	Total Del. Cost (\$)		0.0000				STATION SERVICE % OF GROSS					
SECTION B. LABOR REPORT						SECTION C. FACTORS & MAXIMUM DEMAND						
LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE				
1.	No. Emp. Full Time (inc. Superintendent)		5.	Maint. Plant Payroll (\$)	6,486	1.	Load Factor (%)					
2.	No. Emp. Part Time		6.	Other Accounts	0	2.	Plant Factor (%)					
3.	Total Emp-Hrs Worked	248	7.	TOTAL		3.	Running Plant Capacity Factor (%)					
4.	Oper. Plant Payroll (\$)			Plant Payroll (\$)	6,486	4.	15 Minute Gross Maximum Demand (kW)					
						5.	Indicated Gross Maximum Demand (kW)					
SECTION D. COST OF NET ENERGY GENERATED												
Line No	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT (\$) (a)	MILLS/NET kWh (b)	\$/MMBTU (c)							
1.	Operation, Supervision and Engineering	546										
2.	Fuel, Oil	547.12	343									
3.	Fuel, Gas	547.2										
4.	Fuel, Other	547.3										
5.	Energy For Compressed Air	547.4										
6.	FUEL SUB-TOTAL (2 thru 5)	547	343									
7.	Generation Expenses	548										
8.	Miscellaneous Other Power Generation Expenses	549	2,672									
9.	Rents	550										
10.	NON-FUEL SUB-TOTAL (1 + 7 thru 9)		2,672									
11.	OPERATION EXPENSE (6 + 10)		3,015									
12.	Maintenance, Supervision and Engineering	551										
13.	Maintenance of Structures	552										
14.	Maintenance of Generating and Electric Plant	553	10,550									
15.	Maintenance of Miscellaneous Other Power Generating Plant	554										
16.	MAINTENANCE EXPENSE (12 thru 15)		10,550									
17.	TOTAL PRODUCTION EXPENSE (11 + 16)		13,565									
18.	Depreciation	403.49	25,748									
19.	Interest	427										
20.	TOTAL FIXED COST (18 + 19)		25,748									
21.	POWER COST (17 + 20)		39,313									
REMARKS (Including Unscheduled Outages)												

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USDA - REA OPERATING REPORT - INTERNAL COMBUSTION PLANT	This data will be used to determine your operating results and financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.				
INSTRUCTIONS - Submit an original and two copies to REA. For details, see REA Bulletin 1717B-3.	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;"> BORROWER DESIGNATION Kentucky 59 GT Fayette PLANT Cooper's Diesel Generating Unit </td> <td style="width:30%; text-align: center; vertical-align: middle;"> REA USE ONLY </td> </tr> <tr> <td colspan="2" style="padding: 5px;"> YEAR ENDING October 31, 2004 </td> </tr> </table>	BORROWER DESIGNATION Kentucky 59 GT Fayette PLANT Cooper's Diesel Generating Unit	REA USE ONLY	YEAR ENDING October 31, 2004	
BORROWER DESIGNATION Kentucky 59 GT Fayette PLANT Cooper's Diesel Generating Unit	REA USE ONLY				
YEAR ENDING October 31, 2004					

SECTION A. INTERNAL COMBUSTION GENERATING UNITS												
LINE NO.	UNIT NO.	SIZE (kW) (a) (b)	FUEL CONSUMPTION				OPERATING HOURS				GROSS GENERATION (MWh) (k)	BTU PER kWh (l)
			OIL (1000 Gals.) (c)	GAS (1000 C.F.) (d)	OTHER (e)	TOTAL (f)	IN SERVICE (g)	ON STANDBY (h)	Scheduled (i)	Unsched (j)		
1.	3	1,600	0.000							7320		
2.												
3.												
4.												
5.												
6.	TOTAL	1,600	0.000									
7.	Average BTU		138,600 /Gal.	1,000 /C.F.	/							
8.	Total BTU (10)		0			0					0	
9.	Total Del. Cost (\$)		0.0000									

SECTION B. LABOR REPORT					SECTION C. FACTORS & MAXIMUM DEMAND				
LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE	
1.	No. Emp. Full Time (inc. Superintendent)		5.	Maint. Plant Payroll (\$)	3,052	1.	Load Factor (%)		
2.	No. Emp. Part Time		6.	Other Accounts Plant Payroll (\$)	0	2.	Plant Factor (%)		
3.	Total Emp-Hrs Worked	116	7.	TOTAL Plant Payroll (\$)	3,052	3.	Running Plant Capacity Factor (%)		
4.	Oper. Plant Payroll (\$)					4.	15 Minute Gross Maximum Demand (kW)		
						5.	Indicated Gross Maximum Demand (kW)		

SECTION D. COST OF NET ENERGY GENERATED					
Line No	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT (\$) (a)	MILLS/NET kWh (b)	\$/MMBTU (c)
1.	Operation, Supervision and Engineering	546			
2.	Fuel, Oil	547.1	162		
3.	Fuel, Gas	547.2			
4.	Fuel, Other	547.3			
5.	Energy For Compressed Air	547.4			
6.	FUEL SUB-TOTAL (2 thru 5)	547	162		
7.	Generation Expenses	548			
8.	Miscellaneous Other Power Generation Expenses	549	1,258		
9.	Rents	550			
10.	NON-FUEL SUB-TOTAL (1 + 7 thru 9)		1,258		
11.	OPERATION EXPENSE (6 + 10)		1,420		
12.	Maintenance, Supervision and Engineering	551			
13.	Maintenance of Structures	552			
14.	Maintenance of Generating and Electric Plant	553	4,965		
15.	Maintenance of Miscellaneous Other Power Generating Plant	554			
16.	MAINTENANCE EXPENSE (12 thru 15)		4,965		
17.	TOTAL PRODUCTION EXPENSE (11 + 16)		6,385		
18.	Depreciation	403.49	16,950		
19.	Interest	427			
20.	TOTAL FIXED COST (18 + 19)		16,950		
21.	POWER COST (17 + 20)		23,335		

REMARKS (Including Unscheduled Outages)

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USDA - REA			This data will be used to determine your operating results and financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.									
OPERATING REPORT - INTERNAL COMBUSTION PLANT			BORROWER DESIGNATION							REA USE ONLY		
			Kentucky 59 GT Fayette									
			PLANT									
			Green Valley Landfill Generating Unit									
INSTRUCTIONS - Submit an original and two copies to REA. For details, see REA Bulletin 1717B-3.			YEAR ENDING									
			October 31, 2004									
SECTION A. INTERNAL COMBUSTION GENERATING UNITS												
LINE NO.	UNIT NO.	SIZE (kW)	FUEL CONSUMPTION				OPERATING HOURS				GROSS GENERATION (MWh) (k)	BTU PER kWh (l)
			OIL (1000 Gals.) (c)	GAS (1000 C.F.) (d)	METHANE M CF (e)	TOTAL (f)	IN SERVICE (g)	ON STANDBY (h)	OUT OF SERVICE SCHEDULED (i)	UNEXPECTED (j)		
1.	1	2,400	0.000		337,504		5,870	0	47	1403	14,063	
2.			0.000									
3.												
4.												
5.												
6.	TOTAL	2,400	0.000	0				0			14,063	
7.	Average BTU		138,600 /Gal.	1,000 /C.F.	500/CF						799	
8.	Total BTU (10)		0	0	168,753	168,753					13,264	
9.	Total Del. Cost (\$)		0.0000								5.68	
SECTION B. LABOR REPORT						SECTION C. FACTORS & MAXIMUM DEMAND						
LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE				
1.	No. Emp. Full Time (inc. Superintendent)	1	5.	Maint. Plant Payroll (\$)	2,433	1.	Load Factor (%)	83.02				
2.	No. Emp. Part Time		6.	Other Accounts Plant Payroll (\$)		2.	Plant Factor (%)	80.05				
3.	Total Emp-Hrs Worked	2,150	7.	TOTAL Plant Payroll (\$)	58,071	3.	Running Plant Capacity Factor (%)	99.82				
4.	Oper. Plant Payroll (\$)	55,638				4.	15 Minute Gross Maximum Demand (kW)					
						5.	Indicated Gross Maximum Demand (kW)	2,333				
SECTION D. COST OF NET ENERGY GENERATED												
Line No	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT (\$)	MILLS/NET kWh	S/MMBTU							
1.	Operation, Supervision and Engineering	546	14,766									
2.	Fuel, Oil	547.12	0									
3.	Fuel, Gas	547.2										
4.	Fuel, Other	547.3/.61	41,296									
5.	Energy For Compressed Air	547.4										
6.	FUEL SUB-TOTAL (2 thru 5)	547	41,296	3.11								
7.	Generation Expenses	548	62,620									
8.	Miscellaneous Other Power Generation Expenses	549	65,256									
9.	Rents	550										
10.	NON-FUEL SUB-TOTAL (1 + 7 thru 9)		142,642	10.75								
11.	OPERATION EXPENSE (6 + 10)		183,938	13.87								
12.	Maintenance, Supervision and Engineering	551										
13.	Maintenance of Structures	552										
14.	Maintenance of Generating and Electric Plant	553	3,276									
15.	Maintenance of Miscellaneous Other Power Generating Plant	554										
16.	MAINTENANCE EXPENSE (12 thru 15)		3,276	0.25								
17.	TOTAL PRODUCTION EXPENSE (11 + 16)		187,214	14.11								
18.	Depreciation	403.49	169,319									
19.	Interest	427	34,541									
20.	TOTAL FIXED COST (18 + 19)		203,860	15.37								
21.	POWER COST (17 + 20)		391,074	29.48								
REMARKS (Including Unscheduled Outages)												

Public reporting burden for this collection of information is estimated to average 24 25 hours (REA Forms 12-1) per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, Room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0512-0011), Washington, DC 20503. OMB FORM NO. 0512-0011, Expires 12/31/94.

USDA - REA			This data will be used to determine your operating results and financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.									
OPERATING REPORT - INTERNAL COMBUSTION PLANT			BORROWER DESIGNATION							REA USE ONLY		
			Kentucky 59 GT Fayette									
			PLANT									
			Laurel Ridge Landfill Generating Unit									
INSTRUCTIONS - Submit an original and two copies to REA. For details, see REA Bulletin 1717B-3.			YEAR ENDING									
			October 31, 2004									
SECTION A. INTERNAL COMBUSTION GENERATING UNITS												
LINE NO.	UNIT NO.	SIZE (kW)	FUEL CONSUMPTION				OPERATING HOURS				GROSS GENERATION (MWh)	BTU PER kWh
			OIL (1000 Gals.) (c)	GAS (1000 C.F.) (d)	METHAN MCF (e)	TOTAL (f)	IN SERVICE (g)	ON STANDBY (h)	OUT OF SERVICE Scheduled (i)	Unsched (j)		
1.	1	3,200	0.000		338,768		4679	0	284	2357	14,116	
2.			0.000									
3.												
4.												
5.												
6.	TOTAL	3,200	0.000	0	338,768			0			14,116	
7.	Average BTU		138,600 /Gal.	1,000 /C.F.	500/CF		STATION SERVICE (MWh)				891.171	
8.	Total BTU (10)		0	0	169,384	169,384	NET GENERATION (MWh)				13,225	
9.	Total Del. Cost (\$)		0.0000				STATION SERVICE % OF GROSS				6.31	
SECTION B. LABOR REPORT				SECTION C. FACTORS & MAXIMUM DEMAND								
LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE				
1.	No. Emp. Full Time (inc. Superintendent)	1	5.	Maint. Plant Payroll (\$)	0	1.	Load Factor (%)	75.36				
2.	No. Emp. Part Time		6.	Other Accounts Plant Payroll (\$)		2.	Plant Factor (%)	60.26				
3.	Total Emp-Hrs Worked	2,234	7.	TOTAL Plant Payroll (\$)	74,254	3.	Running Plant Capacity Factor (%)	94.28				
4.	Oper. Plant Payroll (\$)	74,254				4.	15 Minute Gross Maximum Demand (kW)					
						5.	Indicated Gross Maximum Demand (kW)	2,559				
SECTION D. COST OF NET ENERGY GENERATED												
Line No	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT (\$)	MILLS/NET kWh	\$/MMBTU							
1.	Operation, Supervision and Engineering	546	63,567									
2.	Fuel, Oil	547.12	0									
3.	Fuel, Gas	547.2										
4.	Fuel, Other	547.3/.61	43,086									
5.	Energy For Compressed Air	547.4										
6.	FUEL SUB-TOTAL (2 thru 5)	547	43,086	3.26								
7.	Generation Expenses	548	38,651									
8.	Miscellaneous Other Power Generation Expenses	549	72,889									
9.	Rents	550										
10.	NON-FUEL SUB-TOTAL (1 + 7 thru 9)		175,107	13.24								
11.	OPERATION EXPENSE (6 + 10)		218,193	16.50								
12.	Maintenance, Supervision and Engineering	551										
13.	Maintenance of Structures	552										
14.	Maintenance of Generating and Electric Plant	553	927									
15.	Maintenance of Miscellaneous Other Power Generating Plant	554										
16.	MAINTENANCE EXPENSE (12 thru 15)		927	0.07								
17.	TOTAL PRODUCTION EXPENSE (11 + 16)		219,120	16.57								
18.	Depreciation	403.49	185,924									
19.	Interest	427	42,214									
20.	TOTAL FIXED COST (18 + 19)		228,138	17.25								
21.	POWER COST (17 + 20)		447,258	33.82								
REMARKS (Including Unscheduled Outages)												

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USDA - REA			This data will be used to determine your operating results and financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.										
OPERATING REPORT - INTERNAL COMBUSTION PLANT			BORROWER DESIGNATION Kentucky 59 GT Fayette							REA USE ONLY			
			PLANT Bavarian Landfill Generating Unit										
INSTRUCTIONS - Submit an original and two copies to REA. For details, see REA Bulletin 1717B-3.			YEAR ENDING October 31, 2004										
SECTION A. INTERNAL COMBUSTION GENERATING UNITS													
LINE NO.	UNIT NO.	SIZE (kW)	FUEL CONSUMPTION				OPERATING HOURS				GROSS GENERATION (MWh) (k)	BTU PER kWh (l)	
			OIL (1000 Gals) (c)	GAS (1000 C.F.) (d)	METHAN MCF (e)	TOTAL (f)	IN SERVICE (g)	ON STANDBY (h)	OUT OF SERVICE				
										Scheduled (i)	Unsched (j)		
1.	1	3,200	0.000		470,519			6711	0	180	429	21,889	
2.			0.000										
3.													
4.													
5.													
6.	TOTAL	3,200	0.000	0					0			21,889	
7.	Average BTU		138,600 /Gal.	1,000 /C.F.	500 / CF							985	
8.	Total BTU (10)		0		235,258	235,258						20,904	
9.	Total Del. Cost (\$)		0.0000									4.5	
SECTION B. LABOR REPORT						SECTION C. FACTORS & MAXIMUM DEMAND							
LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE	LINE NO.	ITEM	VALUE					
1.	No. Emp. Full Time (inc. Superintendent)	1	5.	Maint. Plant Payroll (\$)	4,429	1.	Load Factor (%)	94.84					
2.	No. Emp. Part Time		6.	Other Accounts Plant Payroll (\$)		2.	Plant Factor (%)	93.45					
3.	Total Emp-Hrs Worked	2,131	7.	TOTAL Plant Payroll (\$)	56,696	3.	Running Plant Capacity Factor (%)	101.93					
4.	Oper. Plant Payroll (\$)	52,267				4.	15 Minute Gross Maximum Demand (kW)						
						5.	Indicated Gross Maximum Demand (kW)	3,153					
SECTION D. COST OF NET ENERGY GENERATED													
Line No	PRODUCTION EXPENSE	ACCOUNT NUMBER	AMOUNT (\$)	MILLS/NET kWh	\$/MMBTU								
			(a)	(b)	(c)								
1.	Operation, Supervision and Engineering	546	45,239										
2.	Fuel, Oil	547.12	0										
3.	Fuel, Gas	547.2											
4.	Fuel, Other	547.3/.61	66,777										
5.	Energy For Compressed Air	547.4											
6.	FUEL SUB-TOTAL (2 thru 5)	547	66,777	3.19									
7.	Generation Expenses	548	35,336										
8.	Miscellaneous Other Power Generation Expenses	549	68,195										
9.	Rents	550											
10.	NON-FUEL SUB-TOTAL (1 + 7 thru 9)		148,770	7.12									
11.	OPERATION EXPENSE (6 + 10)		215,547	10.31									
12.	Maintenance, Supervision and Engineering	551											
13.	Maintenance of Structures	552											
14.	Maintenance of Generating and Electric Plant	553	5,591										
15.	Maintenance of Miscellaneous Other Power Generating Plant	554											
16.	MAINTENANCE EXPENSE (12 thru 15)		5,591	0.27									
17.	TOTAL PRODUCTION EXPENSE (11 + 16)		221,138	10.58									
18.	Depreciation	403.49	197,859										
19.	Interest	427	43,686										
20.	TOTAL FIXED COST (18 + 19)		241,545	11.55									
21.	POWER COST (17 + 20)		462,683	22.13									
REMARKS (Including Unscheduled Outages)													

Public reporting burden for this collection of information is estimated to average 24.25 hours (REA Forms 12-i) per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, Room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0572-0017), Washington, DC 20503. OMB FORM NO. 0572-0017, Expires 12/31/94.

USDA - REA OPERATING REPORT - LINES AND STATIONS	<i>This data will be used to determine your operating results and financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.</i>				
INSTRUCTIONS - Submit an original and two copies to REA. For details, see REA Bulletin 1717B-3.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"> BORROWER DESIGNATION Kentucky 59 & 63 GT Fayette </td> <td style="width: 20%; text-align: center; vertical-align: middle;"> REA USE ONLY </td> </tr> <tr> <td> YEAR ENDING October 31, 2004 </td> <td></td> </tr> </table>	BORROWER DESIGNATION Kentucky 59 & 63 GT Fayette	REA USE ONLY	YEAR ENDING October 31, 2004	
BORROWER DESIGNATION Kentucky 59 & 63 GT Fayette	REA USE ONLY				
YEAR ENDING October 31, 2004					

SECTION A. EXPENSE AND COSTS

ITEMS	ACCOUNT NUMBER	LINES (a)	STATIONS (b)
TRANSMISSION OPERATION			
1. SUPERVISION AND ENGINEERING	560	1,315,971	1,660,198
2. LOAD DISPATCHING	561	1,534,182	
3. STATION EXPENSES	562		2,107,753
4. OVERHEAD LINE EXPENSES	563	1,395,550	
5. UNDERGROUND LINE EXPENSES	564		
6. MISCELLANEOUS EXPENSES	566	96,641	
7. SUBTOTAL (1 thru 6)		4,342,344	3,767,951
8. TRANSMISSION OF ELECTRICITY BY OTHERS	565	7,558,121	
9. RENTS	567	378,910	
10. TOTAL TRANSMISSION OPERATION (7 thru 9)		12,279,375	3,767,951
TRANSMISSION MAINTENANCE			
11. SUPERVISION AND ENGINEERING	568	90	109
12. STRUCTURES	569		
13. STATION EQUIPMENT	570		973,701
14. OVERHEAD LINES	571	2,042,261	
15. UNDERGROUND LINES	572		
16. MISCELLANEOUS TRANSMISSION PLANT	573	60,885	
17. TOTAL TRANSMISSION MAINTENANCE (11 thru 16)		2,103,236	973,810
18. TOTAL TRANSMISSION EXPENSE (10 + 17)		14,382,611	4,741,761
DISTRIBUTION EXPENSE - OPERATION			
19. DISTRIBUTION EXPENSE - OPERATION	580 thru 589		644,682
DISTRIBUTION EXPENSE - MAINTENANCE			
20. DISTRIBUTION EXPENSE - MAINTENANCE	590 thru 598		1,053,505
21. TOTAL DISTRIBUTION EXPENSE (19 + 20)			1,698,187
22. TOTAL OPERATION AND MAINTENANCE (18 + 21)		14,382,611	6,439,948
FIXED COSTS			
23. DEPRECIATION - TRANSMISSION	403.5	3,951,014	1,114,388
24. DEPRECIATION - DISTRIBUTION	403.6		2,465,933
25. INTEREST - TRANSMISSION	427	4,596,034	2,728,960
26. INTEREST - DISTRIBUTION	427		2,968,450
27. TOTAL TRANSMISSION (18 + 23 + 25)		22,929,659	8,585,109
28. TOTAL DISTRIBUTION (21 + 24 + 26)			7,132,570
29. TOTAL LINES AND STATIONS (27 + 28)		22,929,659	15,717,679

SECTION B. FACILITIES IN SERVICE

SECTION C. LABOR AND MATERIAL SUMMARY

TRANSMISSION LINES				SUBSTATIONS		1. NUMBER OF EMPLOYEES		94
VOLTAGE (kV)	MILES	TYPE	CAPACITY (kVA)	ITEM	LINES	STATIONS		
1. 34.5	0.86	9. STEPUP AT GEN-		2. OPER. LABOR	1,169,914	1,908,299		
2. 69	1,866.76	ERATING PLANTS	1,972,000	3. MAINT. LABOR	418,765	630,592		
3. 138	374.60	10. TRANSMISSION		4. OPER. MATERIAL	271,090	276,169		
4. 161	329.59		3,488,517	5. MAINT. MATERIAL	1,372,250	986,961		
5. 345	59.66	11. DISTRIBUTION		SECTION D. OUTAGES				
6. TOTAL (1 thru 5)	2,631.47		3,380,749	1. TOTAL		380,532		
7. DISTR. LINES		12. TOTAL		2. AVG. NO. DISTR. CONS. SERVED		476,632		
8. TOTAL (6 + 7)	2,631.47	(9 thru 11)	8,841,266	3. AVG. NO. HOURS OUT PER CONS.		0.80		

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2004-00321
ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04

REQUEST 2

RESPONSIBLE PARTY: Ann F. Wood

REQUEST 2. Please provide a computation of the Company's net operating income and TIER for the calendar years 2002 and 2003 and the most recent 12 months ending period for which information is available. Please provide supporting documentation in the same format as the computations provided in response to PSC Request 17.

RESPONSE 2. East Kentucky's net operating income and TIER calculations for calendar years 2002 and 2003 and for the 12-month period ending October 2004 are attached.

Case No. 2004-00321		
East Kentucky Power Cooperative, Inc.		
Statement of Operations – 12-Months Ending December 31, 2002		
Line No.	Item	Amount
1	Total Operating Revenues & Patronage Capital (Lines 1 thru 3 of RUS Form 12a)	429,488,686.00
2	Total Operation Expense (Lines 5 thru 13 of RUS Form 12a)	282,379,680.00
3	Total Maintenance Expense (Lines 15 thru 18 of RUS Form 12a)	30,182,061.00
4	Depreciation & Amortization Expense (Line 20 of RUS Form 12a)	45,106,388.00
5	Taxes (Line 21 of RUS Form 12a)	(511,493.00)
6	Net Operating Income [Line 1 minus (Lines 2 thru 5)]	72,332,050.00
7	Interest on Long-Term Debt (Line 22 of RUS Form 12a)	39,318,685.00
8	Interest Charged to Construction – Credit (Line 23 of RUS Form 12a)	0.00
9	Other Interest Expense & Other Deductions (Lines 24 and 25 of RUS Form 12a)	1,848,996.00
10	Interest Income (Line 28 of RUS Form 12a)	4,033,983.00
11	Allowance for Funds Used During Construction (Line 29 of RUS Form 12a)	2,071,675.00
12	Other Income & Capital Credits (Lines 30 thru 33 of RUS Form 12a)	158,307.00
13	Extraordinary Items (Line 34 of RUS Form 12a)	0.00
14	Net Patronage Capital or Margins [Line 6 minus (Lines 7 thru 9) plus (Lines 10 thru 13)]	37,428,334.00

TIER for 12-Months Ending December 31, 2002:

Net Patronage Capital or Margins (Line 14)	37,428,334.00
Interest on Long-Term Debt (Line 7)	39,318,685.00

TIER [(Line 14 + Line 7) / Line 7] 1.95

Line references to RUS Form 12a relate to Section A – Statement of Operations.

Case No. 2004-00321		
East Kentucky Power Cooperative, Inc.		
Statement of Operations – 12-Months Ending December 31, 2003		
Line No.	Item	Amount
1	Total Operating Revenues & Patronage Capital (Lines 1 thru 3 of RUS Form 12a)	447,124,459.00
2	Total Operation Expense (Lines 5 thru 13 of RUS Form 12a)	314,732,948.00
3	Total Maintenance Expense (Lines 15 thru 18 of RUS Form 12a)	37,851,818.00
4	Depreciation & Amortization Expense (Line 20 of RUS Form 12a)	31,166,309.00
5	Taxes (Line 21 of RUS Form 12a)	9.00
6	Net Operating Income [Line 1 minus (Lines 2 thru 5)]	63,373,375.00
7	Interest on Long-Term Debt (Line 22 of RUS Form 12a)	44,457,850.00
8	Interest Charged to Construction – Credit (Line 23 of RUS Form 12a)	0.00
9	Other Interest Expense & Other Deductions (Lines 24 and 25 of RUS Form 12a)	1,602,599.00
10	Interest Income (Line 28 of RUS Form 12a)	2,934,794.00
11	Allowance for Funds Used During Construction (Line 29 of RUS Form 12a)	8,950,643.00
12	Other Income & Capital Credits (Lines 30 thru 33 of RUS Form 12a)	199,415.00
13	Extraordinary Items (Line 34 of RUS Form 12a)	0.00
14	Net Patronage Capital or Margins [Line 6 minus (Lines 7 thru 9) plus (Lines 10 thru 13)]	29,397,778.00

TIER for 12-Months Ending December 31, 2003:

Net Patronage Capital or Margins (Line 14)	29,397,778.00
Interest on Long-Term Debt (Line 7)	44,457,850.00

TIER [(Line 14 + Line 7) / Line 7] 1.66

Line references to RUS Form 12a relate to Section A – Statement of Operations.

Case No. 2004-00321 East Kentucky Power Cooperative, Inc. Statement of Operations – 12-Months Ending October 31, 2004		
Line No.	Item	Amount
1	Total Operating Revenues & Patronage Capital (Lines 1 thru 3 of RUS Form 12a)	494,091,692.00
2	Total Operation Expense (Lines 5 thru 13 of RUS Form 12a)	383,961,933.00
3	Total Maintenance Expense (Lines 15 thru 18 of RUS Form 12a)	51,522,677.00
4	Depreciation & Amortization Expense (Line 20 of RUS Form 12a)	38,672,844.00
5	Taxes (Line 21 of RUS Form 12a)	3,873.00
6	Net Operating Income [Line 1 minus (Lines 2 thru 5)]	19,930,365.00
7	Interest on Long-Term Debt (Line 22 of RUS Form 12a)	52,592,993.00
8	Interest Charged to Construction – Credit (Line 23 of RUS Form 12a)	0.00
9	Other Interest Expense & Other Deductions (Lines 24 and 25 of RUS Form 12a)	1,456,130.00
10	Interest Income (Line 28 of RUS Form 12a)	2,498,410.00
11	Allowance for Funds Used During Construction (Line 29 of RUS Form 12a)	15,034,979.00
12	Other Income & Capital Credits (Lines 30 thru 33 of RUS Form 12a)	421,116.00
13	Extraordinary Items (Line 34 of RUS Form 12a)	0.00
14	Net Patronage Capital or Margins [Line 6 minus (Lines 7 thru 9) plus (Lines 10 thru 13)]	(16,164,253.00)

TIER for 12-Months Ending October 31, 2004:

Net Patronage Capital or Margins (Line 14)	(16,164,253.00)
Interest on Long-Term Debt (Line 7)	52,592,993.00

TIER [(Line 14 + Line 7) / Line 7] 0.69

Line references to RUS Form 12a relate to Section A – Statement of Operations.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2004-00321
ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04

REQUEST 3

RESPONSIBLE PARTY: William A. Bosta/Ann F. Wood

REQUEST 3. Refer to the Company's response to PSC Request 18. Please provide a computation of a BESF factor based on the costs included in the 1993 test year as a percentage of revenues from that test year including the annualized rate increase allowed. Provide all computations, assumptions, data, and workpapers, including electronic spreadsheets with formulas intact.

RESPONSE 3. The calculated BESF factor is .57%. Attachment 1 provides the basis and support for the calculation. Please note that Attachment 1 is also included on the CD provided in response to Items 23 and 25.

Workpaper for Gallatin Steel's Data Request
Question #3

	\$ Amount	Total \$	Source
1. Depreciation Expense	501,570		Staff 8, p. 3 of 3, 1st Request
	70,778		Staff 8, p. 3 of 3, 1st Request
	30,960		Staff 8, p. 3 of 3, 1st Request
Total		603,308	
2. Oper & Mtce	213,791		Wood Exhibit 2, p. 1 of 1
Air Permit Fees	188,636		Wood Exhibit 2, p. 1 of 1
Total O & M		402,427	
3. Property Tax	12,217		Staff 8, p. 3 of 3, 1st Request
	1,974		Staff 8, p. 3 of 3, 1st Request
	861		Staff 8, p. 3 of 3, 1st Request
		15,052	
4. Insurance	11,203		Gallatin 10, 1st Request
		11,203	
 <u>Return on Rate Base</u>			
5. Rate Base			
Precip	8,144,692		Wood Exhibit 1, p. 1 of 11
Preheater	1,315,867		Wood Exhibit 1, p. 9 of 11
Fans	573,729		Wood Exhibit 1, p. 10 of 11
		10,034,288	
6. Cash Working Capital (1/8 of O&M)		50,303	
Total Rate Base	10,084,591		
Apply Rate of Return		7.58%	Page 2, this response
7. Total Return on Rate Base		764,412	
8. Total Costs		1,796,402	Line 1+2+3+4+7
9. Calculation of % of Member System Revenues to total revenues including off-system sales.			
Member Sys Rev	240,629,490	76.29%	Page 3, this response
Off System Sales Revenue	74,774,167	23.71%	Page 4, this response
	315,403,657	100.00%	
Total Costs Incl Rate of Return	1,796,402		
Exclusion of Off-System Sales	76.29%		
Revenue Requirement	1,370,475		
Member Sys Revenue	240,629,490		
Rev Req / Mbr Sys Revenues	0.57%		

**EKPC Schedule of Long Term Debt
as of 12/31/1993**

<u>Loan</u>	<u>Principal Outstanding</u>	<u>Composite Rate</u>	<u>Annualized Interest</u>
EKPC REA	\$ 71,301,603	3.75%	\$ 2,673,810
CB REA	21,232,621	2.00%	424,652
CFC			
P12	7,794,097	4.25%	331,249
CB	10,883,485	7.00%	761,844
FFB			
L8	184,949,662	7.48%	13,834,235
M9	46,492,173	9.31%	4,328,421
N8	182,991,403	10.23%	18,720,021
P12	2,088,323	8.72%	182,102
Pollution Control			
Cooper (Solid Waste)	11,800,000	2.45%	289,100
Dale	4,210,000	6.92%	291,332
Smith	40,165,000	2.60%	1,044,290
Spurlock	131,300,000	2.43%	3,190,590
CB Bonds	55,161,649	8.50%	4,688,740
	<u>770,370,016</u>		<u>50,760,386</u>
Weighted Average Rate			<u><u>6.59%</u></u>
Times Tier			<u>1.15</u>
Return			<u><u>7.58%</u></u>

East Kentucky Power Cooperative
Case No. 94 - 336
Revenue by Rate Class Under PSC Approved Wholesale Rates

	Demand	Excess Demand	Total Demand Revenue	ETS Energy	1st Step Energy	2nd Step Energy	Total Energy Revenue	Load Centers	Meter Point Charge	Total Revenue
Schedule E										
kW/kWh	13,614,973			7,347,456	5,575,998,065	271,440,587		2,569	2,569	
Rates	7.06			0.01892	0.02008	0.01982			125	
Revenue \$	96,121,709		96,121,709	139,014	111,966,041	5,380,495	117,485,550	(64,233)	321,125	\$ 213,864,152
Schedule B										
kW/kWh	509,745	38,345			287,009,605					
Rates	5.39	7.82			0.020127					
Revenue \$	2,747,526	299,858	3,047,383		5,776,642		5,776,642			8,824,026
Schedule C										
kW/kWh	533,271				296,994,865					
Rates	5.39				0.020127					
Revenue \$	2,874,331	-	2,874,331		5,977,616		5,977,616			8,851,946
Inland - Electric										
kW/kWh	292,539				184,671,308					
Rates*	3.23				0.01802					
Revenue \$	946,071		946,071		3,327,777		3,327,777			4,273,848
Inland - Steam										
Equip kW/kWh	392,755				213,755,659					
Rates*	2.12				0.01863					
Revenue \$	833,077		833,077		3,982,441		3,982,441			4,815,518
Total										
kW/kWh	15,343,283	38,345	-	7,347,456	6,558,429,502	271,440,587	-	2,569	2,569	
Rates*	6.75	7.82		0.01892	0.01998	0.01982				
Revenue \$	\$ 103,522,714	\$ 299,858	\$ 103,822,572	\$ 139,014	\$ 131,030,517	\$ 5,380,495	\$ 136,550,026	\$ (64,233)	\$ 321,125	\$ 240,629,490
										\$33,493,802**

* 40% EDR Discount on Demand Rate
** Annualized revenue decrease per 94-336 Order

USDA - REA OPERATING REPORT - SALES OF ELECTRICITY		BORROWER DESIGNATIC Kentucky 59 & 63 GT Fayette		YEAR ENDING December 31, 1993		REA USE ONLY	
PURCHASER (a)	NO. OF PURCHASERS (b)	ANNUAL PEAK DEMAND (KW) (c)	MWh BILLED (d)	AMOUNT BILLED (\$) (e)	MILLS PER KWh (f)		
SALES FOR RESALE - SPECIAL SALES TO REA BORROWERS (List separately)							
40. Alabama Electric			512,818	9,218,472	17.98		
41. Oglethorpe Power Corp			750,098	15,492,031	20.65		
42. South Mississippi Electric Power Association			58,270	1,216,850	20.88		
43. Big Rivers Electric Corp			2,800	45,550	16.27		
44. Associated Electric Cooperative Inc.			332,655	6,944,162	20.87		
45. Arkansas Electric Cooperative			157,100	3,138,250	19.98		
46.							
47.							
48.							
49.							
50.		6	1,813,741	36,055,315	19.88		
51. TOTAL SPECIAL SALES TO REA BORROWERS (Sum of lines 40 thru 50)							
52. TOTAL SALES TO REA BORROWERS (Sum of lines 39 + 51)							
		25	8,652,757	304,946,399	35.24		
SALES FOR RESALE TO OTHER THAN REA BORROWERS (List separately)							
53. Tennessee Valley Authority			1,641,683	30,848,445	18.79		
54. Cincinnati Gas & Electric			237,944	4,336,504	18.22		
55. KY Power			179,608	3,253,587	18.11		
56. Louisville Gas & Electric			12,347	221,244	17.92		
57. Southeastern Power Administration			4,544	59,072	13.00		
58.							
59.							
60.							
61.							
62.							
63.							
64.							
65.							
66.							
67.							
68.							
69.							
70.							
71.							
72.							
73.							
74.			2,076,126	38,718,852	18.65		
75. TOTAL SALES TO OTHER THAN REA BORROWERS (Sum of lines 53 thru 74)							
76. TOTAL SALES FOR RESALE (Sum of lines 52 + 75)		30	10,728,883	343,665,251	32.03		
77. TOTAL SALES (Sum of lines 1 + 76)		30	10,728,883	343,665,251	32.03		

Off Sys Sales Revenue	
Sales to REA Borrowers	36,055,315
Sales to Non-REA	38,718,852
	<u>74,774,167</u>

REA FORM 12b (Rev. 12-93) *This is a computer-generated form.

PAGE 2 OF 2

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2004-00321
ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04

REQUEST 4

RESPONSIBLE PARTY: William A. Bosta/Counsel

REQUEST 4. The environmental surcharge statute, KRS 278.183 is entitled “Surcharge to recover costs of compliance with environmental requirements for coal combustion wastes and by-products – Environmental compliance plan, review and adjustment.” In addition, the statute provides for recovery of “costs of complying with the Federal Clean Air Act as amended and those federal, state, or local environmental requirements which apply to coal combustion wastes and by-products.” Please explain how Projects 3, 4, 5, 6, and 7, related to NOx reductions at the Smith CTs qualify as recoverable costs pursuant to this statute.

RESPONSE 4. Please see the responses to Items 1, 2 and 3 of Staff's First Data Request and the response to Items 1 and 2 of Staff's Second Data Request.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2004-00321

ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04

REQUEST 5

RESPONSIBLE PARTY: Frank J. Oliva

REQUEST 5. Refer to page 4 lines 7-8 of Mr. Eames Direct Testimony. Please provide a copy of all RUS TIER requirements relied on by the Company, including any interpretations or applications by the RUS or any other parties of which the Company is aware that it believes are relevant in this proceeding.

RESPONSE 5. Please see 7 CFR 1710.114 (b)(2), attached, which states that power supply borrowers are required to maintain a minimum annual or average TIER of 1.05.

§ 1710.114

7 CFR Ch. XVII (1–1–04 Edition)

co-owned with other electric utilities), the borrower shall, in addition to the mortgage lien on all of the borrower's electric facilities, furnish adequate assurance, in the form of contractual or other security arrangements, that the system will be operated on an efficient and continuous basis. Satisfactory evidence must also be provided that the non-RUS financed system is financially sound and under capable management. Examples of such evidence include financial reports, annual reports, Security and Exchange Commission 10K reports if the system is required to file them, credit reports from Standard and Poor's, Moodys or other recognized sources, reports to state regulatory authorities and the Federal Energy Regulatory Commission, and evidence of a successful track record in related construction projects.

(e) Additional controls on the borrower's financial, investment and managerial activities appear in the loan contract and mortgage required by RUS.

[57 FR 1053, Jan. 9, 1992, as amended at 62 FR 7665, Feb. 20, 1997]

§ 1710.114 TIER, DSC, OTIER and ODSC requirements.

(a) *General.* Requirements for coverage ratios are set forth in the borrower's mortgage, loan contract, or other contractual agreements with RUS. The requirements set forth in this section apply to borrowers that receive a loan approved by RUS on or after February 10, 1992. Nothing in this section, however, shall reduce the coverage ratio requirements of a borrower that has contractually agreed with RUS to a higher requirement.

(b) *Coverage ratios.* (1) Distribution borrowers. The minimum coverage ratios required of distribution borrowers whether applied on an annual or average basis, are a TIER of 1.25, DSC of 1.25, OTIER of 1.1, and ODSC of 1.1. OTIER and ODSC shall apply to distribution borrowers that receive a loan approved on or after January 29, 1996.

(2) The minimum coverage ratios required of power supply borrowers, whether applied on an annual or average basis, are a TIER of 1.05 and DSC of 1.00.

(3) When new loan contracts are executed, the Administrator may, case by case, increase the coverage ratios of distribution and power supply borrowers above the levels cited in paragraphs (b)(1) and (b)(2), respectively, of this section if the Administrator determines that the higher ratios are required to ensure reasonable security for and/or the repayment of loans made or guaranteed by RUS. Also, the Administrator may, case by case, reduce said coverage ratios if the Administrator determines that the lower ratios are required to ensure reasonable security for and/or the repayment of loans made or guaranteed by RUS. Policies for coverage ratios following certain mergers, consolidations, and transfers of systems substantially in their entirety are in 7 CFR 1717.155.

(4) If a distribution borrower has in service or under construction a substantial amount of generation and associated transmission plant financed at a cost of capital substantially higher than the cost of funds under section 305 of the RE Act, then the Administrator may establish, in his or her sole discretion, blended levels for TIER, DSC, OTIER, and ODSC based on the respective shares of total utility plant represented by said generation and associated transmission plant and by distribution and other transmission plant.

(c) *Requirements for loan feasibility.* To be eligible for a loan, borrowers must demonstrate to RUS that they will, on a pro forma basis, earn the coverage ratios required by paragraph (b) of this section in each of the years included in the borrower's long-range financial forecast prepared in support of its loan application, as set forth in subpart G of this part.

(d) *Requirements for maintenance of coverage ratios—(1) Prospective requirement.* Borrowers must design and implement rates for utility service to provide sufficient revenue (along with other revenue available to the borrower in the case of TIER and DSC) to pay all fixed and variable expenses, to provide and maintain reasonable working capital and to maintain on an annual basis the coverage ratios required by paragraph (b) of this section. Rates must be designed and implemented to produce at least enough revenue to

Rural Utilities Service, USDA

§ 1710.115

meet the requirements of this paragraph under the assumption that average weather conditions in the borrower's service territory will prevail in the future, including average system damage and outages due to weather and the related costs. Failure to design and implement rates pursuant to the requirements of this paragraph shall be an event of default upon notice provided in accordance with the terms of the borrower's mortgage or loan contract.

(2) *Retrospective requirement.* The average coverage ratios achieved by a borrower in the 2 best years out of the 3 most recent calendar years must meet the levels required by paragraph (b) of this section. If a borrower fails to achieve these average levels, it must promptly notify RUS in writing. Within 30 days of such notification or of the borrower being notified in writing by RUS, whichever is earlier, the borrower, in consultation with RUS, must provide a written plan satisfactory to RUS setting forth the actions that will be taken to achieve the required coverage ratios on a timely basis. Failure to develop and implement a plan satisfactory to RUS shall be an event of default upon notice provided in accordance with the terms of the borrower's mortgage or loan contract.

(3) *Fixed and variable expenses,* as used in this section, include but are not limited to: all taxes, depreciation, maintenance expenses, and the cost of electric power and energy and other operating expenses of the electric system, including all obligations under the wholesale power contract, all lease payments when due, and all principal and interest payments on outstanding indebtedness when due.

(e) *Requirements for advance of funds.*
(1) If a borrower applying for a loan has failed to achieve the coverage ratios required by paragraph (b) of this section during the latest 12 month period immediately preceding approval of the loan, or if any of the borrower's average coverage ratios for the 2 best years out of the most recent 3 calendar years were below the levels required in paragraph (b) of this section, RUS may withhold the advance of loan funds until the borrower has adopted an annual financial plan and operating budg-

et satisfactory to RUS and taken such other action as RUS may require to demonstrate that the required coverage ratios will be maintained in the future and that the loan will be repaid with interest within the time agreed. Such other action may include, for example, increasing system operating efficiency and reducing costs or adopting a rate design that will achieve the required coverage ratios, and either placing such rates into effect or taking action to obtain regulatory authority approval of such rates. If failure to achieve the coverage ratios is due to unusual events beyond the control of the borrower, such as unusual weather, system outage due to a storm or regulatory delay in approving rate increases, then the Administrator may waive the requirement that the borrower take the remedial actions set forth in this paragraph, provided that such waiver will not threaten loan feasibility.

(2) With respect to any outstanding loan approved by RUS on or after February 10, 1992, if, based on actual or projected financial performance of the borrower, RUS determines that the borrower may not achieve its required coverage ratios in the current or future years, RUS may withhold the advance of loan funds until the borrower has taken remedial action satisfactory to RUS.

[60 FR 67404, Dec. 29, 1995, as amended at 61 FR 66871, Dec. 19, 1996; 65 FR 51748, Aug. 25, 2000]

§ 1710.115 **Final maturity.**

(a) RUS is authorized to make loans and loan guarantees with a final maturity of up to 35 years. The borrower may elect a repayment period for a loan not longer than the expected useful life of the facilities, not to exceed 35 years. Most of the electric facilities financed by RUS have a long useful life, often approximating 35 years. Some facilities, such as load management equipment and Supervisory Control and Data Acquisition equipment, have a much shorter useful life due, in part, to obsolescence. Operating loans to finance working capital required for the initial operation of a new system

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2004-00321
ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04
REQUEST 6

RESPONSIBLE PARTY: Frank J. Oliva

REQUEST 6. Please indicate whether the Company believes the RUS applies the TIER requirements to individual property units or to the entire Company. Please provide a copy of each source document that supports your response.

RESPONSE 6. The RUS applies the TIER requirements to the entire company. Please see 7 CFR 1710.2, which defines TIER, and is attached.

§ 1710.2

7 CFR Ch. XVII (1-1-03 Edition)

A = Total Utility Plant, which equals Part C, Line 3 of RUS Form 7;
B = Operating Revenue and Patronage Capital, which equals Part A, Line 1 of RUS Form 7; and
C = Cost of Power, which equals the sum of Part A, Lines 2, 3, and 4 of RUS Form 7.

PRS work plan has the same meaning as load forecast work plan.

RE Act means the Rural Electrification Act of 1936, as amended (7 U.S.C. 901 *et seq.*).

RE Act beneficiary means a person, business, or other entity that is located in a rural area.

REA means the Rural Electrification Administration formerly an agency of the United States Department of Agriculture and predecessor agency to RUS with respect to administering certain electric and telephone loan programs.

Renewable energy system means a source of energy (kWh) used to meet borrower electric load that is fueled by any of the following technologies: Hydropower, geothermal, biomass, municipal waste, solar thermal, photovoltaic, wind, fuel cells not fueled by fossil fuels. See, for example, "Renewable Resources in U.S. Electricity Supply," February 1993, Publication number DOE/EIA 0561, published by the Department of Energy, Energy Information Administration, Forrestal Building, EI-231, Washington, DC 20585.

Retirement Unit means a substantial unit of property, which when retired, with or without being replaced, is accounted for by removing its book cost from the plant account.

Rollover maturity date means the last day of an interest rate term.

Rural area means any area of the United States, its territories and insular possessions (including any area within the Federated States of Micronesia, the Marshall Islands, and the Republic of Palau) not included within the boundaries of any urban area, as defined by the Bureau of the Census. For purposes of the "rural area" definition, the character of an area is determined at the time of the initial loan to furnish or improve service in the area.

(1) For initial RUS loans made prior to November 1, 1993, the RE Act defined "rural area" to mean any area of the United States not included within the boundaries of any city, village, or borough having a population exceeding

1500. An area determined to be a "rural area" for the purposes of an initial loan made prior to November 1, 1993, shall continue to be considered a "rural area."

(ii) For initial RUS loans made on or after November 1, 1993, this definition shall apply. In determining the character of the area, RUS will rely on the Bureau of the Census designation.

RUS means the Rural Utilities Service, an agency of the United States Department of Agriculture established pursuant to Section 232 of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (Pub. L. 103-354, 108 Stat. 3178), successor to REA with respect to administering certain electric and telephone programs. See 7 CFR 1700.1.

Subtransmission Facilities means the transmission facilities that connect the high voltage side of the distribution substation to the low voltage side of the bulk transmission or generating facilities, as well as related supervisory control and data acquisition facilities.

System Improvement means the change or addition to electric plant facilities to improve the quality of electric service or to increase the quantity of electric power available to RE Act beneficiaries.

TIER means Times Interest Earned Ratio of the borrower calculated as:

$$TIER = \frac{A+B}{A}$$

Where:

All amounts are for the same calendar year and are based on the RUS system of accounts and RUS Forms 7 and 12. References to line numbers in the RUS Forms 7 and 12 refer to the June 1994 version of RUS Form 7 and the December 1993 version of RUS Form 12, and will apply to corresponding information in future versions of the forms;

A=Interest expense on total long-term debt of the borrower, which equals Part A, Line 15 of RUS Form 7 or Section A, Line 22 of RUS Form 12a, except that interest expense shall be increased by 1/2 of the amount, if any, by which restricted rentals of the borrower (Part M, Line 3 of RUS Form 7 or Section K, Line 4 of RUS Form 12h) exceed 2 percent of the borrower's equity (RUS Form 7, Part C, Line 36 [Total Margins & Equities] less Line 26 [Regulatory Assets] or RUS Form 12a, Section B,

Rural Utilities Service, USDA

§ 1710.6

Line 38 [Total Margins & Equities] less Line 28 [Regulatory Assets]; and B=Patronage Capital or Margins of the borrower, which equals Part A, Line 28 of RUS Form 7 or Section A, Line 35 of RUS Form 12a.

Total Assets means Part C, Line 26 of RUS Form 7 (distribution borrowers) or Section B, Line 27 of RUS Form 12a (power supply borrowers).

Total Utility Plant means Part C, Line 3 of RUS Form 7 (distribution borrowers) or Section B, Line 27 of RUS Form 12a (power supply borrowers).

Transmission Facilities means all electrical lines and related facilities, including certain substations, used to connect the distribution facilities to generation facilities. They include bulk transmission and subtransmission facilities.

Urban area is defined by the Bureau of the Census as an area comprising all territory, population, and housing units in urbanized areas and in places of 2500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in:

(i) Places of 2500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the six New England States, New York, and Wisconsin), but excluding the rural portions of "extended cities."

(ii) Census designated places of 2500 or more persons.

(iii) Other territory, incorporated or unincorporated, included in urbanized areas.

Urbanized area means an urbanized area as defined by the Bureau of the Census in notices published periodically in the FEDERAL REGISTER. Generally an urbanized area is characterized as an area that comprises a place and the adjacent densely settled territory that together have a minimum population of 50,000 people.

(b) *Rules of Construction.* Unless the context otherwise indicates, "includes" and "including" are not limiting, and "or" is not exclusive. The terms defined in paragraph (a) of this part in-

clude the plural as well as the singular, and the singular as well as the plural.

[57 FR 1053, Jan. 9, 1992; 57 FR 4513, Feb. 5, 1992, as amended at 58 FR 66263, Dec. 20, 1993; 59 FR 495, Jan. 4, 1994; 59 FR 66440, Dec. 27, 1994; 60 FR 3730, Jan. 19, 1995; 60 FR 67400, Dec. 29, 1995; 65 FR 14786, Mar. 20, 2000]

§ 1710.3 Form and bulletin revisions.

References in this part to RUS or REA forms or line numbers in RUS or REA forms are based on RUS or REA Form 7 and Form 12 dated December 1992, unless otherwise indicated. These references will apply to corresponding information in future versions of the forms. The terms "RUS form", "RUS standard form", "RUS specification", and "RUS bulletin" have the same meanings as the terms "REA form", "REA standard form", "REA specification", and "REA bulletin", respectively, unless otherwise indicated.

[59 FR 66440, Dec. 27, 1994]

§ 1710.4 Exception authority.

Consistent with the RE Act and other applicable laws, the Administrator may waive or reduce any requirement imposed by this part or other RUS regulations on an electric borrower, or a lender whose loan is guaranteed by RUS, if the Administrator determines that imposition of the requirement would adversely affect the Government's financial interest.

§ 1710.5 Availability of forms.

Information about the availability of RUS forms and publications cited in this part is available from Administrative Services Division, Rural Utilities Service, United States Department of Agriculture, Washington, DC 20250-1500. These RUS forms and publications may be reproduced.

§ 1710.6 Applicability of certain provisions to completed loan applications.

(a) Certain new or revised policies and requirements set forth in this part, which are listed in this paragraph, shall not apply to a pending loan application that has been determined by RUS to be complete as of January 9, 1992, the date of publication of such

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2004-00321
ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04

REQUEST 7

RESPONSIBLE PARTY: Frank J. Oliva

REQUEST 7. Please provide the amounts and interest rates of specific debt issues used to finance each project to date and projected through the in-service dates. Also, please identify the issuer and/or guarantor of each of the specific debt issues.

RESPONSE 7. As indicated in the direct testimony of Frank J. Oliva, because of timing differences between the time that capital expenditures are made and the time loan advances are received, it is generally not possible to directly match a capital expenditure with a specific source of capital. Some portion of the facilities related to the Environmental Surcharge was originally financed with internally-generated funds and subsequently reimbursed with loan funds from the Rural Utilities Service (RUS). The primary source of the loan funds involved is identified as the "Y8" loan on Oliva Exhibit 1 and its average interest rate is approximately 4.96%.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2004-00321

ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04

REQUEST 8

RESPONSIBLE PARTY: Ann F. Wood/Frank J. Oliva

REQUEST 8. Please describe how the Company capitalizes construction interest or AFUDC, if at all. In that description, please indicate whether the Company applies a TIER multiplier to the debt interest rate. Also, please indicate whether the Company capitalizes any return on its patronage capital. Provide a copy of the Company's written policies, guidelines, or procedures that describe the computation of capitalized construction interest or AFUDC.

RESPONSE 8. East Kentucky capitalizes interest during construction monthly using our weighted average interest cost on long-term debt. As indicated in the attached policy, East Kentucky applies interest during construction to projects that take longer than one year to construct and cost more than \$100,000. East Kentucky does not capitalize any return on its patronage capital.

EAST KENTUCKY POWER COOPERATIVE

Administrative Policies and Procedures

No. A024

SUBJECT: Capitalization of Interest During Construction

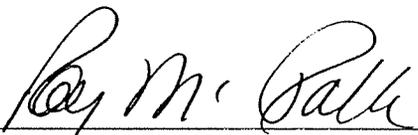
POLICY: East Kentucky Power Cooperative ("EKPC") will adhere to the reporting requirements of the Rural Utilities Service ("RUS") as its lending agency.

PROCEDURE: A. EKPC will capitalize interest during construction ("IDC") on only those projects which take longer than one year to complete and cost in excess of \$100,000.

RESPONSIBILITY: President and Chief Executive Officer
Vice President, Finance and Planning
Accounting Supervisor

RELATED POLICIES:

APPROVED BY:



President and Chief Executive Officer

DATE ADOPTED: November 22, 1996

REVISION DATES: August 13, 2002

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2004-00321
ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04
REQUEST 9

RESPONSIBLE PARTY: **Ann F. Wood**

REQUEST 9. For each of the Company's proposed projects, please provide the other taxes related to plant equipment that was or will be retired and replaced and related to the operation of that plant equipment, such as property taxes and payroll taxes, that were included in base rates for the 1993 test year. Provide the computations, assumptions, data, workpapers, and a copy of each source document relied on for your response.

RESPONSE 9. As indicated in Item 8, First Staff Request, the estimated property tax included in the 1993 test year was \$15,052. This estimate is based on the estimated net book value of the retired assets as of December 31, 1993, (Wood Exhibit 1 of testimony) multiplied by the 1993 property tax rate of .0015. Payroll taxes are neither included in the replaced assets nor the retired assets.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2004-00321
ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04

REQUEST 10

RESPONSIBLE PARTY: Ann F. Wood

REQUEST 10. For each of the Company's proposed projects, please provide the insurance expense related to plant equipment that was or will be retired and replaced and related to the operation of that plant equipment that was included in base rates for the 1993 test year.

RESPONSE 10. As noted in the response to Item 8, First Staff Request, actual insurance expense is not available as invoices relating to 1993 are not available. To provide an estimate of insurance expense for the retired assets, East Kentucky has reviewed the general ledger and determined the property insurance premium for 1993. A ratio of the net book value as of 12/31/93 for the retired assets to the net book value at 12/31/93 of total assets was applied to the premium, resulting in an annual amount of \$11,203.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2004-00321
ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04
REQUEST 11

RESPONSIBLE PARTY: Ann F. Wood

REQUEST 11. Please provide the property insurance expense, property tax expense, gross plant in service, and accumulated depreciation reflected in the 1993 test year.

RESPONSE 11. The following chart represents the requested items for projects 2 and 8.

	<u>1993 Test Year</u>
Estimated Property Tax Expense	\$15,052
Estimated Property Insurance Expense	\$11,203
Gross Plant in Service	\$12,763,882
Estimated Accumulated Depreciation	\$2,729,593

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2004-00321
ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04
REQUEST 12

RESPONSIBLE PARTY: **Ann F. Wood**

REQUEST 12. Please describe the lag that typically transpires between the placement of plant in-service (or the incurrence of construction costs if such costs are included in the assessed value) and the inclusion of those plant costs in the Company's assessed property values and the related property tax expense. For example, plant costs incurred in June 2004 may not be included in assessed value until December 2005 with the related expense first recognized in January 2006.

RESPONSE 12. East Kentucky's property tax return is due to the State on April 30, based on the net book value of assets as of the preceding December 31. Shortly after the April 30 due date, the State sends East Kentucky a tax bill. Therefore, if plant costs are incurred in June 2004, East Kentucky will include these costs on the December 2004 tax return, with expenses first recognized in 2005.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2004-00321
ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04

REQUEST 13

RESPONSIBLE PARTY: Ann F. Wood

REQUEST 13. Please describe how the Company tracks or plans to track or otherwise computes or plans to compute the property tax expense associated with these environmental projects.

RESPONSE 13. East Kentucky plans to track the net book value of the assets in Projects 1-9 and apply the property tax rate of .0015 accordingly.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2004-00321
ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04

REQUEST 14

RESPONSIBLE PARTY: Ann F. Wood

REQUEST 14. For each project, please indicate the month and year when the Company will first accrue property tax expense on its accounting books, consistent with its response to the two preceding questions.

RESPONSE 14.

Project Number	Project Name	Month/Year to Begin Property Tax Accrual
1	Gilbert	January 2006
2	Spurlock 1 Precipitator	January 2004
3	JK Smith CT 1,2,3	January 2000
4	JK Smith CT 4	January 2002
5	JK Smith CT 5	January 2002
6	JK Smith CT 6	January 2005
7	JK Smith CT 7	January 2005
8	Spurlock 1 SCR	January 2004
9	Spurlock 2 SCR	January 2003

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2004-00321
ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04

REQUEST 15

RESPONSIBLE PARTY: Ann F. Wood

REQUEST 15. Please describe how the Company computes depreciation expense in the month of a plant in service addition. For example, if a project is closed to plant in month 1, does the Company compute depreciation on the amount closed in month 1 or does it commence depreciation expense in month 2? If in month 1, does the Company prorate?

RESPONSE 15. East Kentucky computes depreciation expense in the actual month the plant is in service and does not prorate. For example, if an asset becomes operational/closed to plant on March 31, that asset would receive one month's depreciation during the month of March.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2004-00321
ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04

REQUEST 16

RESPONSIBLE PARTY: Ann F. Wood

REQUEST 16. Please describe how the Company plans to compute the depreciation on Project 1 for ECR purposes in the month in which the construction cost is closed to plant in service, assuming that the actual in-service date is after February 28, 2005.

RESPONSE 16. As indicated in response to Gallatin's Request 15, East Kentucky will begin depreciating the assets in Project 1 in the month those assets are placed in service.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2004-00321
ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04
REQUEST 17

RESPONSIBLE PARTY: Ann F. Wood

REQUEST 17. Refer to page 4 lines 14-19 of Ms. Wood's Direct Testimony. Please provide the depreciation rates by plant account and project proposed by the Company. In addition, please provide a copy of the source document, such as the relevant pages from a depreciation study, including the relevant pages describing the derivation of the rates, and any other computations, assumptions, data, and workpapers relied on for the derivation of the proposed depreciation rates.

RESPONSE 17. Please note that East Kentucky depreciates its generating units on a straight-line basis versus a composite rate basis. The Gilbert Unit (Project 1) will be depreciated over 32 years. A letter from RUS is attached. The Spurlock Unit (Projects 2, 8, and 9) is being depreciated through December 31, 2027, its estimated remaining useful life. Please see the Management Applications Consulting Remaining Life Study (Item 9, Staff First Data Request, Attachment, Pages 5 of 41 and 6 of 41.) The latest RUS bulletin on depreciation, dated 1977, does not specifically cover combustion turbines. Gas turbines are given a 33-year life in this bulletin; however, this was determined to be a longer life than was justifiable. Based on a discussion with a representative from Kentucky Utilities and research of Internal Revenue Service guidelines, East Kentucky estimated the useful life of the combustion turbines to be 25 years.



United States
Department
of Agriculture

Rural
Electrification
Administration

Washington
D.C.
20250

REC'D JAN 26 1990 ^{BC} Gallatin Request 17
Attachment
Page 1 of 1
DW

Copy: Eames
miller, Don

JAN 23 1990

1-26-90

Mr. Donald R. Norris, President
and General Manager
East Kentucky Power Cooperative, Inc.
P. O. Box 707
Winchester, Kentucky 40391

Dear Mr. Norris:

The Rural Electrification Administration (REA) has approved the request of East Kentucky Power Cooperative, Inc. (EKPC), to establish a 32-year life for all of its steam plants and to depreciate all future additions within the remaining period of the estimated 32-year life for each unit. REA has no objections to EKPC implementing this depreciation change for calendar year 1989.

Sincerely,

JOSEPH R. BINDER
Director
Northeast Area - Electric

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2004-00321
ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04
REQUEST 18

RESPONSIBLE PARTY: William A. Bosta

REQUEST 18. Refer to Bosta Exhibit 1 page 1 of 2 and the E(m) definition. Please explain why the Company divided RB (rate base) by 12 rather than RORB (rate of return on rate base) by 12.

RESPONSE 18. EKPC could have elected to divide the RORB by 12. However, the mathematical results are exactly the same under either alternative.

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2004-00321

ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04

REQUEST 19

RESPONSIBLE PARTY: Ann F. Wood/Robert E. Hughes

REQUEST 19. Refer to Bosta Exhibit 3 page 6 of 7. Please provide the amount of air permit fees in the 1993 test year and included in base rates. In addition, please provide the tons of output in the 1993 test year compared to the tons of output in 2003, 2004, and projected for 2005, that were used or that are projected to be used in the computation of the air permit fees in those years. If available, please separate the air permit fees and the tons of output requested by generating unit.

RESPONSE 19. The amount of air permit fees in the 1993 test year (included in base rates) is \$188,636. Attached is the emission information associated with the Air Permit Fees, as billed, for 2003 and 2004. The projected tons for 2005 are estimated to be near the tonnage values for 2003.

Tons of Output Associated with the 1993 Air Permit Fees as Billed:

Dale Station:	Tons (rounded)	Dollars
SO2	4,847	48,840
NO2	3,145	38,397
Particulate Matter--10 Microns	95	1,163
Volatile Organic Compounds	10	<u>128</u>
		88,528
Spurlock Station:	Tons (rounded)	Dollars
SO2	43,258	48,840
NO2	13,473	48,840
Particulate Matter--10 Microns	173	2,114
Volatile Organic Compounds	26	<u>314</u>
		100,108
Total		<u><u>188,636</u></u>

Tons of Output Associated with Air Permit Fees as Billed for:

	2003	2004
Dale Station:		
SO2	8,746	9,398
NO2	3,583	3,730
Particulate Matter--10 Microns	176	174
Volatile Organic Compounds	19	19
Cooper Station:		
SO2	23,597	20,260
NO2	4,513	3,998
Particulate Matter--10 Microns	442	324
Volatile Organic Compounds	31	27
Spurlock Station:		
SO2	38,492	42,139
NO2	18,185	17,419
Particulate Matter--10 Microns	273	243
Volatile Organic Compounds	123	82
JK Smith (Combustion Turbines):		
SO2		198
NO2		238
Particulate Matter--10 Microns		26
Volatile Organic Compounds		13
Green Valley Landfill:		
NO2		0.006
Volatile Organic Compounds		0.001
Laurel Ridge Landfill:		
SO2		0.023
NO2		5.37
Particulate Matter--10 Microns		1.031
Volatile Organic Compounds		0.437
Bavarian Landfill:		
SO2		0.026
NO2		5.904
Volatile Organic Compounds		0.481

EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2004-00321

ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04

REQUEST 20

RESPONSIBLE PARTY: Robert E. Hughes

REQUEST 20. Please provide the original in-service dates of each of the generating units for the proposed environmental compliance projects.

RESPONSE 20.

Spurlock 1	September 1, 1977
Spurlock 2	March 2, 1981
Smith CT 1	March 1, 1999
Smith CT 2	January 1, 1999
Smith CT 3	April 1, 1999
Smith CT 4	November 15, 2001
Smith CT 5	November 15, 2001

The Gilbert unit is expected to be in service in March 2005. The CT 6 and CT 7 projects at Smith are expected to be in service in January 2005.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2004-00321
ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04

REQUEST 21

RESPONSIBLE PARTY: Frank J. Oliva

REQUEST 21. Please identify and quantify the revenues from each sale of emission allowances in each year 2000 through 2004, if any. Please describe the Company's accounting for such sales.

RESPONSE 21. No emission allowances were sold directly by EKPC in the years 2000 through 2004. Also, see response to Item 7, Staff Second Data Request, for allowances sold through the EPA auction.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2004-00321
ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04
REQUEST 22

RESPONSIBLE PARTY: William A. Bosta/Ann F. Wood

REQUEST 22. Refer to Attachment 1 page 2 of 41 section "b," addressing the pricing of off-peak energy, and the definition of EKPC's Incremental Energy Cost on the attached Schedule A of the Company's response to AG Request 2b. Please describe the specific methodology and tools, if any, the Company uses to compute the incremental energy cost to supply these sales.

RESPONSE 22. For those hours when EKPC is serving TGP from its generating units, the incremental energy cost includes fuel cost, variable O&M expense and emission allowance expense. If served by a purchase, the total per unit purchased power price is used.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2004-00321
ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04
REQUEST 23

RESPONSIBLE PARTY: William A. Bosta

REQUEST 23. Please provide the hourly incremental energy cost on a per kWh basis to supply the TGP off-peak sales for each hour of such sales during calendar year 2003 and to date 2004 in an Excel spreadsheet format, excluding the \$3.00 per mWh charge cited on Attachment 1 page 2 of 41 section "b," addressing the pricing of off-peak energy, of the Company's response to AG Request 2b.

RESPONSE 23. Due to size, the requested information has been attached on a CD.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2004-00321
ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04
REQUEST 24

RESPONSIBLE PARTY: William A. Bosta/Ann F. Wood

REQUEST 24. Refer to Attachment 2 page 16 of 87 section "B," addressing the energy charge for interruptible service (other than such service provided pursuant to the LG&E Contract) and the recovery on an hour-by-hour basis of EKPC's "out-of-pocket expenses," which also are defined in that section. Please describe the specific methodology and tools, if any, the Company uses to compute each of the "out-of-pocket expenses" included in this interruptible energy charge.

RESPONSE 24. For those hours when EKPC is serving Gallatin from its generating units, the out-of-pocket expenses used to determine the energy charge include fuel cost, variable O&M expenses and emission allowance expense. If served by a purchase, the total per unit purchased power price is used.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2004-00321
ENVIRONMENTAL SURCHARGE

GALLATIN STEEL'S FIRST DATA REQUEST DATED 11/19/04

REQUEST 25

RESPONSIBLE PARTY: William A. Bosta/Ann F. Wood

REQUEST 25. Please provide each of the hourly out-of-pocket costs on a per kWh basis to supply the interruptible sales to Gallatin, other than those pursuant to the LG&E Contract, for each hour of such sales during calendar year 2003 and to date 2004 in an Excel spreadsheet format.

RESPONSE 25. Due to size, the requested information is provided on the attached CD.